

BEFORE THE
ILLINOIS COMMERCE COMMISSION

IN THE MATTER OF:)
)
COMMONWEALTH EDISON COMPANY,)
)
) No. 10-0467
)
Proposed general increase in)
electric rates. (Tariffs filed)
June 30, 2010.))

Chicago, Illinois
January 19, 2011

Met pursuant to notice at 9:00 a.m.

BEFORE :

MS. CLAUDIA SAINSOT and MR. GLENNON DOLAN,
Administrative Law Judges.

1 APPEARANCES:

2 MR. RICHARD BERNET
MR. EUGENE H. BERNSTEIN
3 MR. MICHAEL PABIAN
10 South Dearborn Street, Suite 4900
4 Chicago, Illinois 60603

-and-

5 ROONEY, RIPPIE & RATNASWAMY, LLP, by
MR. E. GLENN RIPPIE
6 MR. JOHN E. ROONEY
350 West Hubbard Street, Suite 430
7 Chicago, Illinois 60654
Appearing on behalf of ComEd;

8
MR. JOHN FEELEY,
9 MS. JENNIFER LIN
MS. MEGAN McNEILL
10 160 North LaSalle Street, Suite C-800
Chicago, Illinois 60601
11 Appearing on behalf of Staff;

12 MS. KAREN L. LUSSON, MS. SUSAN L. SATTER
MR. MICHAEL BOROVIK
13 MS. JANICE A. DALE
100 West Randolph Street, 11th Floor
14 Chicago, Illinois 60601
Appearing on behalf of the People of the
15 State of Illinois;

16 ROWLAND & MOORE, LLP, by
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17 200 West Superior Street, Suite 400
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18 Appearing on behalf of Natural Resources
Defense Council and Dominion Retail, Inc.;

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MR. RONALD D. JOLLY
20 30 North LaSalle Street, Suite 1400
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21 Appearing on behalf of the City of
Chicago;

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1 APPEARANCES: (CONT'D)

2 MS. KRISTIN MUNSCH
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4 Appearing on behalf of CUB;

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7 203 North LaSalle Street, Suite 1900
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12 LAW OFFICE OF MICHAEL A. MUNSON, by
13 MR. MICHAEL A. MUNSON
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15 LAW OFFICES OF GERARD T. FOX, by
16 MR. GERARD T. FOX
Two Prudential Plaza
17 180 North Stetson Street, Suite 3500
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18 Appearing on behalf of RESA;

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Appearing on behalf of the U.S. Department
8 of Energy;

9 BOEHM, KURTZ & LOWRY, by
MR. KURT J. BOEHM
10 36 East Seventh Street, Suite 1510
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11 Appearing on behalf of Kroger Company;

12 JOHN B. COFFMAN, LLC, by
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13 871 Tuxedo Boulevard
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14 Appearing on behalf of AARP;

15 HINSHAW & CULBERTSON, LLP, by
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17 Appearing on behalf of Metra.

18

19

20

21 SULLIVAN REPORTING COMPANY, by
Steven T. Stefanik, CSR
Carla Camiliere, CSR

22

1		<u>I</u>	<u>N</u>	<u>D</u>	<u>E</u>	<u>X</u>			
2	<u>Witnesses:</u>	<u>Direct</u>	<u>Cross</u>				Re-	Re-	By
3	JEFFREY MEROLA	1989	1994			2010			<u>Examiner</u>
4	LAWRENCE ALONGI	2014	2019						
5			2029						
6			2053						
7			2062						
8			2079						
9	ROBERT GARCIA		2116						
10			2123						
11			2125						
12			2216			2217		2221	
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1 E X H I B I T S

2	<u>Number</u>	<u>For Identification</u>	<u>In Evidence</u>
	RESA		
3	#1.0-C, 2.0&3.0		1988
	#2.0, 2.1, 2.2, 2.3		1994
4	2.4, 2.5, 2.6-2.11		1994
	5.0-5.2		1994
5	COMED		
	#16.0, 16.1, 16.2-16.6		2018
6	16.7, 16.8, 16.9, 16.10		2018
	16.11-16.23, 21.0, 21.1		2018
7	21-2, 21.3, 21.4-21.7		2018
	21.8, 41.0-41.3, 49.0		2018
8	49.1-49.6, 49.7		2018
	49.8-49.11, 68.0-68.2,		2018
9	73.0, 73.1-73.8		2018
	#23.0-23.2, 24.0, 24.1,		2239
10	5.04, 74.0, 74.1-74.3		2239
	CITY CROSS		
11	#1	2044	
	AG		
12	#33	2074	
	AG/CUB		
13	#22		2078
	KROGER CROSS		
14	#1	2116	
	IIEC CROSS		
15	#4		2123
	REACT		
16	#22	2129	
	#23	2150	2232
17	#24	2153	2232
	#25	2171	2232
18	#26 (Confidential)	2172	
	#27	2203	2232
19	#28	2279	
	#29	2289	
20	#30	2294	
	CTA CROSS		
21	#1.0, 2.0, 3.0, 4.0, 4.1		2235
	4.3 (Confidential) 4.04		2235
22	1.0, 1.01-1.08, 2.0-2.05&		2236
	2.02.01-2.05, 2.02, 3.0		2236

1 JUDGE DOLAN: By the direction and authority of
2 the Illinois Commerce Commission, I call Docket
3 No. 10-0467, Commonwealth Edison, proposed increase
4 in rates, to order.

5 Would the parties please identify
6 themselves for the record.

7 MR. BERNET: On behalf of Commonwealth Edison
8 Company, Eugene Bernstein, Michael Pabian and
9 Richard Bernet, 10 South Dearborn, Suite 4900,
10 Chicago 60603.

11 MR. RIPPPIE: And also on behalf of
12 Commonwealth Edison Company, John Rooney and Glen
13 Rippie from Rooney, Rippie and Ratnaswamy, LLP, and
14 that is located at 350 West Hubbard, Suite 430,
15 Chicago 60654.

16 MR. FEELEY: Representing Staff of the Illinois
17 Commerce Commission, John Feeley, Megan McNeill and
18 Jennifer Lin from the Office of General Counsel,
19 160 North LaSalle Street, Suite C-800, Chicago,
20 Illinois 60601.

21 MR. TOWNSEND: On behalf of the Coalition to
22 Request Equitable Allocation of Costs Together, or

1 REACT, the law firm of DLA Piper, LLP, US, 203
2 North LaSalle, Chicago, Illinois 60601 by
3 Christopher J. Townsend, Christopher N. Skey, and
4 Michael R. Strong.

5 MR. ROBERTSON: Eric Robertson, Lueders,
6 Robertson and Konzen, PO Box 735, 1939
7 Delmar Avenue, Granite City, Illinois 62040, on
8 behalf of the Illinois Industrial Energy Consumers.

9 MR. BOROVIK: Appearing on behalf of the People
10 of the State of Illinois, Michael Borovik, Karen
11 Lusson, Susan Satter and Janice Dale, 100 West
12 Randolph Street, 11th floor, Chicago, Illinois
13 60601.

14 MR. FOX: Gerard T. Fox, Two Prudential Plaza,
15 180 North Stetson, Suite 3500, Chicago, Illinois
16 60601, appearing on behalf of the Retail Energy
17 Supply Association.

18 JUDGE DOLAN: Okay. Is there any other
19 appearances?

20 Let the record reflect there are none.

21 JUDGE SAINSOT: And we're connected to
22 Springfield, right?

1 You can see us and hear us?

2 A VOICE: Yes, we can.

3 JUDGE SAINSOT: Okay. Just checking.

4 JUDGE DOLAN: Mr. Jolly, you want to get your
5 appearance on file?

6 MR. JOLLY: Sure.

7 On behalf of the City of Chicago,
8 Ronald D. Jolly, 30 North LaSalle, Suite 1400,
9 Chicago, Illinois 60602.

10 MR. TOWNSEND: Okay. REACT calls
11 Jeffrey Merola.

12 MR. FOX: One preliminary matter.

13 MR. TOWNSEND: If you may. Yeah. Sure.

14 JUDGE SAINSOT: Okay. I take it there's no
15 cross for Mr. Boston?

16 MR. FOX: I believe that's correct, too. Yes.

17 JUDGE DOLAN: Yeah. I think so.

18 MR. FOX: At this time, the Retail Energy Supply
19 Association would like to move for the admission of
20 their evidence in this case consisting of RESA
21 Exhibit 1.0-C, which is the direct testimony,
22 corrected, of Roy Boston; RESA Exhibit 2.0, the

1 rebuttal testimony of Roy Boston; and RESA
2 Exhibit 3.0, the affidavit of Roy Boston and
3 supporting Exhibits 1.0-C and 2.0.

4 JUDGE DOLAN: Is there any objections?

5 Hearing none, then RESA Exhibit 1.0-C,
6 2.0 and 3.0 will be admitted into the record.

7 MR. FOX: Thank you.

8 (Whereupon, RESA
9 Exhibit Nos. 1.0-C, 2.0 and 3.0
10 were admitted into evidence as
11 of this date.)

12 MR. TOWNSEND: And with that, your Honors, REACT
13 calls Jeffrey Merola.

14 JUDGE DOLAN: Okay. Mr. Merola, you want to
15 please step forward? You want to raise your right
16 hand?

17 (Witness sworn.)

18 JUDGE DOLAN: Okay. Thank you.

19

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1 JEFFREY MEROLA,
2 called as a witness herein, having been first duly
3 sworn, was examined and testified as follows:

4 DIRECT EXAMINATION

5 BY

6 MR. TOWNSEND:

7 **Q.** Would you please state your name and spell
8 your last name for the record.

9 **A.** It's Jeffrey D. Merola, M-e-r-o-l-a.

10 **Q.** And do you have before you REACT Exhibit
11 2.0 entitled The Direct Testimony of Jeffrey Merola
12 on behalf of the Coalition to Request Equitable
13 Allocation of Costs Together?

14 **A.** Yes, I do.

15 **Q.** And attached to that are there
16 Exhibits 2.1, 2.2, 2.3, as well as 2.6 and 2.11 --
17 I'm sorry -- through 2.11?

18 **A.** Yes. That's correct.

19 MR. TOWNSEND: Your Honors, we'd note that, for
20 the record, those were all filed on eDocket on
21 November 19th, 2010.

22 BY MR. TOWNSEND:

1 **Q.** Do you also have before you corrected
2 Exhibits 2.4 and 2.5?

3 JUDGE SAINSBOT: So we're calling those 2.4-C and
4 2.5-C?

5 MR. TOWNSEND: 5-C, correct.

6 THE WITNESS: Yes, I do.

7 MR. TOWNSEND: And we'd note, for the record,
8 your Honors -- did you have a point, your Honor?

9 JUDGE DOLAN: I was going to say, you need to
10 like keep it up under your chin level for optimal
11 hearing.

12 (Discussion off the record.)

13 MR. TOWNSEND: We would note for the record the
14 corrected exhibits were filed on eDocket on
15 December 27th, 2010.

16 BY MR. TOWNSEND:

17 **Q.** And do you intend for those documents to be
18 your prefiled direct testimony in this proceeding,
19 Mr. Merola?

20 **A.** Yes, I do.

21 **Q.** And were they prepared by you or under your
22 direction and control?

1 **A.** Yes, they were.

2 **Q.** Do you have any additional changes or
3 corrections to those documents?

4 **A.** Yes, I have several corrections to the text
5 to ensure that the text conforms to the changes on
6 corrected Exhibit 2.4 and corrected Exhibit 2.5.

7 **Q.** Could you please run through those quickly
8 on the record.

9 **A.** Yes.

10 On Page 10, Line 202, the --

11 MR. BERNSTEIN: Excuse me.

12 Which document?

13 MR. TOWNSEND: The direct testimony, Exhibit
14 2.0.

15 THE WITNESS: So on Page 10, Line 202, the value
16 that says 7.1 percent should read 7.2 percent.

17 On Page 20, Line 423, the value that
18 states 259.0 million should state 259.1 million.

19 On Page 30, Line 639, the value that states 7.1
20 percent should state 7.2 percent. On Page 30,

21 Line 644, the value that states 20.7 percent

22 should state 20.9 percent. And on Line -- on Page

1 31, Line 647, the value that states 20.7 percent
2 should also read 20.9 percent.

3 And, lastly, on Page 31, Line 648, the
4 value that reads 435.3 million should read 434.0
5 million.

6 JUDGE SAINSOT: What was that last number,
7 Mr. Merola?

8 THE WITNESS: On Page 31, Line 648, the value
9 that reads 435.3 million should read 434.0 million.

10 MR. TOWNSEND: And, your Honors, we do have
11 hand-marked versions that we can provide for the
12 record.

13 JUDGE SAINSOT: Okay. Thank you.

14 BY MR. TOWNSEND:

15 Q. And, Mr. Merola, do you also before you
16 what has been marked as REACT Exhibit 5.0, The
17 Rebuttal Testimony of Jeffrey Merola, with attached
18 Exhibits 5.1 and 5.2?

19 A. Yes, I do.

20 MR. TOWNSEND: We'd note for the record, your
21 Honors, that those were filed on eDocket on
22 December 30th, 2010.

1 BY MR. TOWNSEND:

2 Q. Were those prepared by you or under your
3 direction and control?

4 A. Yes, they were.

5 Q. And do you intend for those documents to be
6 your prefiled rebuttal testimony in this
7 proceeding?

8 A. Yes, I do.

9 Q. Do you have any corrections to that
10 prefiled rebuttal testimony?

11 A. Just one correction.

12 On Page 1, the title right before Line 1
13 reads, Direct Testimony of Jeffrey Merola. It
14 should read, Rebuttal Testimony of Jeffrey Merola.

15 Q. Do you have any other corrections to that
16 testimony?

17 A. No, I do not.

18 MR. TOWNSEND: With that, your Honors, we'd move
19 for admission of REACT Exhibit 2.0, 2.1, 2.2, 2.3,
20 2.4-C, 2.5-C, 2.6 through 2.11; REACT Exhibits 5.0,
21 5.1 and 5.2.

22 JUDGE SAINSOT: Any objection?

1 MR. BERNSTEIN: No objection.

2 JUDGE SAINSOT: Okay. Hearing none, your motion
3 is granted and REACT Exhibit 2.0, 2.1, 2.2, 2.3,
4 2.4, and 2.5, both of which are corrected, 2.6
5 through 2.11, as well as REACT Exhibit 5.0, 5.1 and
6 5.2 are all admitted into evidence.

7 (Whereupon, REACT
8 Exhibit Nos. 2.0, 2.1, 2.2, 2.3,
9 2.4, and 2.5, 2.6 through 2.11,
10 and 5.0, 5.1 and 5.2 were
11 admitted into evidence as
12 of this date.)

13 MR. TOWNSEND: Thank you, your Honor.

14 And we tender Mr. Merola for
15 cross-examination.

16 JUDGE DOLAN: Counsel?

17 CROSS-EXAMINATION

18 BY

19 MR. BERNSTEIN:

20 Q. Good morning, Mr. Merola. I'm Gene
21 Bernstein for ComEd this morning.

22 First of all, let me begin by

1 complimenting you on your taste in neckties. I
2 think we may be wearing the same tie.

3 A. Very close, yes.

4 Q. We've met twice previously here at the
5 Commission, both times when you testified before
6 this Commission on ComEd rate matters on the
7 subject of customer care costs.

8 Do you recall those?

9 A. I do.

10 Q. You first testified on customer care cost
11 issues before this Commission in Docket 07-0566.

12 Do you recall that?

13 A. Yes, I do.

14 Q. Docket 07-0566 was initiated with the
15 filing of tariffs by ComEd on October 17, 2007; is
16 that right?

17 A. I don't remember the specific dates.

18 Q. Let me just quickly refresh your
19 recollection and show you the order that was
20 entered in that docket that shows in the caption of
21 the case.

22 MR. TOWNSEND: Mr. Bernstein, we're willing to

1 accept that, subject to check.

2 MR. BERNSTEIN: I don't like the subject to
3 check by it; but if you'll stipulate to that,
4 that's fine.

5 MR. TOWNSEND: Sure. We'll stipulate.

6 October 17th, 2007?

7 MR. BERNSTEIN: Yes.

8 MR. TOWNSEND: Okay.

9 BY MR. BERNSTEIN:

10 Q. In your rebuttal testimony in that docket,
11 which was designated, I believe, as REACT Corrected
12 Exhibit 7.0, you used an allocation factor of 40
13 percent, correct?

14 A. Could I have a copy of it in front -- I
15 just don't remember any context.

16 MR. BERNSTEIN: Your Honors, I was just showing
17 this document to Mr. Merola to refresh his
18 recollection. I wasn't intending to offer this
19 into evidence.

20 I don't see any purpose to doing that.
21 But if you prefer, I can mark it.

22 MR. TOWNSEND: That's all right.

1 MR. BERNSTEIN: For the record, I'm showing
2 Mr. Merola an excerpt of his testimony from that
3 docket and asking him just to review it to refresh
4 his recollection.

5 MR. TOWNSEND: Page 20 of that testimony.

6 THE WITNESS: Yes. And reading through to
7 refresh my memory, I basically used a two-step
8 process.

9 So I first allocated costs based on a
10 50-percent -- basically, an even split between
11 delivery and supply, but I allocated that to 80
12 percent of the costs, which then had the net effect
13 of 40 percent allocation.

14 BY MR. BERNSTEIN:

15 Q. Right.

16 JUDGE SAINSOT: Mr. Merola, please keep your
17 voice up a little.

18 BY MR. BERNSTEIN:

19 Q. Now, you also testified on customer care
20 cost issues in Docket 08-0532, which people around
21 here refer to with various names. I'm going to
22 refer to it simply as the rate design

1 investigation.

2 You'll understand that that's the docket
3 I'm referring to when I use that term?

4 **A.** Yes, I understand that.

5 **Q.** That docket was initiated by the Commission
6 in September of 2008 that culminated in an order
7 entered on April 21, 2010; is that correct?

8 **A.** Again, I don't remember the specific dates,
9 but I do recall that it culminated in an order.

10 MR. BERNSTEIN: Your Honors, again, I'm showing
11 Mr. Merola a document, the final order entered in
12 Docket 08-0532, merely for the purpose of
13 refreshing his recollection. I don't intend to
14 offer it into evidence.

15 BY MR. BERNSTEIN:

16 **Q.** Mr. Merola, I'm going to ask you just a
17 couple questions briefly that it may help to refer
18 to Pages 61 and 62 of that order to refresh your
19 recollection specifically. It's a lengthy
20 document, obviously.

21 **A.** I'm sorry. 61 and 62?

22 **Q.** Yes.

1 MR. TOWNSEND: And the version that you handed
2 me is marked -- is, likewise, the version that you
3 handed to Mr. Merola?

4 MR. BERNSTEIN: It's just a photocopy of the
5 Commission's order.

6 MR. TOWNSEND: With hand markings on it?

7 MR. BERNSTEIN: I think I gave you my copy.

8 MR. TOWNSEND: I didn't know if you --
9 likewise --

10 THE WITNESS: Mine just has brackets on some of
11 the paragraphs.

12 MR. BERNSTEIN: Oh, okay.

13 MR. TOWNSEND: Yeah. Same.

14 MR. BERNSTEIN: I have a cheat sheet as to the
15 sections that I'm going to refer to.

16 MR. TOWNSEND: Fair enough.

17 Did you want him to review those pages
18 first or are you just going to refer to them?

19 MR. BERNSTEIN: I want him to take a few moments
20 and review those portions.

21 As long as we're taking advantage of my
22 markings, pay special attention to the ones that

1 I've marked because those are the ones I'm going to
2 ask you about.

3 THE WITNESS: Okay. So you want me to review
4 Page 61 and 62?

5 BY MR. BERNSTEIN:

6 Q. Just -- or if you want to listen to the
7 question and then turn to those, we can do it that
8 way, too. However, you want to proceed.

9 I don't think you need to study the
10 whole two-page section.

11 MR. TOWNSEND: Please go ahead with the
12 questions, if you like. And with your indulgence,
13 if Mr. Merola needs to review further, he'll take
14 the time to do so.

15 BY MR. BERNSTEIN:

16 Q. The order in 08-0532 indicates, in
17 summarizing your testimony, that you calculated
18 allocated customer care costs by, among other
19 things, using factors of 50 percent to effect an
20 equal split, 50 percent of the delivery function
21 and 50 percent to the supply function; isn't that
22 right?

1 **A.** Yes, the order makes reference to that.

2 **Q.** At Page 68 of that same order, the
3 Commission concluded on this issue, among other
4 things, and I quote, Staff also touches on the
5 implications of adopting REACT's proposal, but it
6 is hard to evaluate the best outcome without having
7 the results of an embedded cost of service study
8 performed by the Company. REACT asserts that it
9 has done such a study, but its arbitrary 50/50
10 allocator renders it almost useless.

11 Did I read that correctly?

12 **A.** Yes, you read it correctly.

13 **Q.** Now, let's turn to your direct testimony in
14 this docket, specifically, REACT Exhibit 2.0.

15 At Page 28, Lines 590 through 594 --
16 I'll pause while you get to that point.

17 **A.** I'm sorry. Can you repeat those line
18 numbers?

19 **Q.** Sure. Page 28, Lines 590 to 594.

20 **A.** Okay. I'm there.

21 **Q.** But I'm not.

22 The following appears:

1 Question: How did you adjust ComEd's
2 billing calculation allocator? Given the
3 significant investments by ComEd in systems, people
4 and infrastructure, it is far more reasonable to
5 assume that these investments and costs are equally
6 used to support calculation of both supply and
7 delivery bill. So I allocated the costs evenly
8 between delivery and supply.

9 Now, my question to you is, when you say
10 in that passage that you allocated the costs evenly
11 between delivery and supply, does that mean you
12 allocated the costs 50 percent delivery and 50
13 percent to supply?

14 **A.** Yes, that's correct.

15 **Q.** At -- in your rebuttal testimony,
16 Exhibit 5.0, Pages -- Page 20, Lines 414 to 424.
17 Again, you refer to the 50/50 allocation or
18 splitting the costs evenly between the two
19 functions, correct?

20 **A.** Yes, I discuss there that I -- in the
21 absence of any information provided by ComEd to
22 allocate those costs by any other reasonable

1 method, I used a default assumption of an even
2 splitting between the two because these are
3 undisputably (sic) common costs that support both
4 the delivery and the supply function.

5 **Q.** What do you mean by "common costs"?

6 Does common costs refer to costs that
7 can be attributed to and are caused by both the
8 delivery function and the supply function?

9 **A.** Yes.

10 **Q.** In determining whether customer care costs
11 should be recovered in delivery service rates or
12 elsewhere, it's appropriate to examine the nature
13 of the costs with an eye to determining which
14 service, delivery or supply or perhaps both, causes
15 ComEd to incur the costs. You would agree?

16 **A.** If I understood your question, yes, the
17 cost -- it's important to review the drivers of the
18 underlying costs to determine how those costs
19 should be allocated.

20 **Q.** And both you and ComEd consider that
21 analysis as central to assuring that the principle
22 of cost causation is followed, correct?

1 **A.** I would agree that I did. I don't agree
2 that all the methodologies that ComEd used serve
3 that purpose.

4 **Q.** Well, you may disagree in the allocation
5 study, for example, as to how ComEd allocated
6 costs, but you both were attempting to identify and
7 attribute the cost to the cost causer, weren't you?

8 **A.** I want to be clear because you made the
9 first statement generically and ComEd performed two
10 different cost allocation methods.

11 **Q.** Oh, I'm referring to the second analysis,
12 to the allocation study which corresponds to your
13 analysis.

14 **A.** Yes, in the allocation study, ComEd made an
15 attempt at allocating costs between the delivery
16 and the supply function.

17 **Q.** Just to be clear, "common costs," the
18 phrase you used a moment ago, refers to the idea
19 that some costs are caused in part by the provision
20 of delivery service and in part by the provision of
21 supply services, correct?

22 **A.** Yes, that's correct.

1 **Q.** Now, we agree that some customer care costs
2 are not common costs to be allocated or split
3 between functions. And, specifically, I have in
4 mind advertising costs and metering service costs.
5 Isn't that right?

6 **A.** Yes, I agree that the metering services and
7 the advertising costs should be allocated to the
8 delivery services function as ComEd has done.

9 **Q.** And, in fact, that's reflected in your
10 prepared testimony, correct?

11 **A.** That's correct.

12 **Q.** Now, at Pages 14 and 15 of your direct
13 testimony, you address this subject, correct?

14 **A.** Yes, I do.

15 **Q.** Let's focus for a moment just on the
16 advertising cost.

17 By reason of the nature of the
18 advertising that ComEd undertakes, that is to say,
19 looking at the message, the words that are conveyed
20 in the advertisements, you agree that those costs
21 should go to the delivery function only, correct?

22 **A.** Yes.

1 **Q.** Quite simply, customers taking supply
2 service from ComEd do not drive or contribute in
3 any way to the level of ComEd's advertising costs,
4 to the extent those costs are limited to the
5 subject matter that we've talked about, the words
6 we talked about?

7 **A.** I'm sorry. You confused me with the end of
8 that question.

9 **Q.** Let me state that without the last
10 qualification. I think I've confused you and
11 probably myself as well.

12 Customers taking supply service from
13 ComEd do not drive or in any way contribute to the
14 level of ComEd's advertising costs, do they?

15 **A.** It's my understanding from reading, I
16 believe, Mr. Donovan's testimony, that the nature
17 of the advertising costs are related to things like
18 safety and delivery services.

19 So, no, they're not related to the
20 supply services.

21 **Q.** Yeah, that's the qualifier I tried to slip
22 in and messed up. You said it better than I did.

1 Thank you.

2 Now, let's look over to the other
3 category that you treated similarly, metering
4 services costs.

5 Each customer taking delivery service
6 from ComEd requires a meter that measures and
7 records his usage, correct?

8 **A.** Correct.

9 **Q.** And, of course, that same meter is used to
10 record the customer's usage, either kilowatts or
11 kilowatt-hours, that is used in determining the
12 supply charges for which he will be responsible,
13 correct?

14 **A.** Are you referring to a situation where
15 ComEd performs the supply -- or performs a supply
16 function or --

17 **Q.** In any situation, regardless of who the
18 supplier is, there's one meter, right?

19 **A.** Yes, there would be -- relative to ComEd
20 and the distribution system, there would be one
21 meter. If the supplier installed a different meter
22 for their purposes, it would be an independent

1 effort.

2 **Q.** The costs incurred in providing that meter
3 to the customer would seem to be, at least at a
4 superficial level, a common cost attributable to
5 both supply and delivery; isn't that right?

6 **A.** The metering services function is necessary
7 to support both delivery and the supply function,
8 yes.

9 **Q.** Yet, you agree with ComEd that metering
10 service costs should be 100 percent the
11 responsibility of the delivery service function,
12 right?

13 **A.** I do agree with that, and the reason I
14 agree with that is because metering services,
15 unlike the other customer care costs, are provided
16 by ComEd regardless of whether or not they provide
17 the supply.

18 That's unlike things like billing and
19 payment processing and customer call center
20 functions where ComEd does not provide the
21 supply-related portion of those services, if they
22 are not providing supply.

1 **Q.** Would it be fair to say, at least with
2 respect to metering service costs, that customers
3 taking supply service from ComEd do not drive the
4 level of ComEd's metering service costs, do they?

5 **A.** I'm sorry. Could you repeat the question?
6 I didn't -- I just want to make sure I understood
7 the beginning of it.

8 **Q.** Sure.

9 Would you read that back, please.

10 (Record read as requested?)

11 THE WITNESS: That's correct.

12 MR. BERNSTEIN: That's all I have.

13 Thank you.

14 JUDGE DOLAN: Any redirect?

15 MR. TOWNSEND: Can we have a moment, your Honor?

16 JUDGE SAINSBOT: Sure.

17 JUDGE DOLAN: Sure. Go off the record.

18 (Pause.)

19 JUDGE DOLAN: All right. Back on the record.

20 MR. TOWNSEND: We do have a few lines, your
21 Honor.

22 JUDGE DOLAN: Okay.

1 MR. TOWNSEND: Thank you.

2 REDIRECT EXAMINATION

3 BY

4 MR. TOWNSEND:

5 Q. Mr. Merola, do you recall Mr. Bernstein
6 asking you about your testimony in Docket 07-0566,
7 the 2007 ComEd rate case?

8 A. Yes, I do.

9 Q. Do you believe that your testimony in that
10 case is consistent with the position that you've
11 put forth in this case?

12 A. Yes, I believe that my position is
13 consistent. The information and available
14 information has evolved throughout the various
15 cases.

16 Q. So can you explain how your position there
17 was consistent when you had a 40 percent allocator
18 is consistent with your position here where you
19 have additional allocators?

20 A. Yes. In that original case, the -- there
21 was no analysis, no information available in terms
22 of how those costs should be treated. We did

1 numerous data requests to inquire to ComEd if there
2 was available information to perform or compute an
3 allocator for the customer care costs relative to
4 delivery and supply, but there was no -- no
5 information available to do that.

6 So in the absence of -- in the absence
7 of specific data, based on my experience and
8 understanding that the costs clearly again
9 indisputably support both delivery and supply, I
10 allocated those costs evenly between the delivery
11 and supply functions.

12 That theme has been consistent as we've
13 gone from that to the rate design investigation and
14 now to this case. The difference is that the -- in
15 this case, as instructed by the Commission, ComEd
16 has performed an analysis of how those costs should
17 be split between delivery and supply. And I used
18 that default 50/50 allocator for those areas where
19 the process by which they did that seems to have no
20 relation to the underlying costs involved.

21 **Q.** So do you believe that your 50/50 allocator
22 is arbitrary?

1 **A.** No, I do not.

2 **Q.** Why is that not arbitrary?

3 **A.** Because arbitrary implies that it's just
4 picked out of the air. It's not based on any kind
5 of analysis or assessment.

6 And to the contrary, we've gone to great
7 lengths to try to understand and obtain from ComEd
8 information that would explain how those costs
9 should be allocated.

10 So based on my experience and based on
11 looking at the underlying drivers, it seems to be a
12 very reasonable assumption to assume that those
13 costs are evenly supporting the delivery and the
14 supply functions.

15 **Q.** Do you recall Mr. Bernstein asking you
16 questions about the Commission's findings in the
17 08-0532 proceeding, which we've referred to as the
18 special investigation proceeding. I believe he
19 referred to it as the rate design proceeding.

20 Do you recall those questions?

21 **A.** Yes, I do.

22 **Q.** Do you recall what the Commission concluded

1 with regards to cost allocation in that docket?

2 **A.** Yes, I believe they concluded that ComEd's
3 conclusion, which is that less than one percent of
4 the customer care costs should be allocated to the
5 supply function, in their words, it was difficult
6 to imagine that that conclusion was viable or made
7 any sense.

8 MR. TOWNSEND: That's all we have, your Honor.

9 JUDGE DOLAN: Okay. Any recross?

10 MR. BERNSTEIN: No.

11 JUDGE DOLAN: All right. Thank you, sir. You
12 can step down.

13 THE WITNESS: Thank you.

14 (Recess taken.)

15 JUDGE DOLAN: All right. Back on the record.

16 (Witness sworn.)

17 JUDGE DOLAN: All right.

18 Proceed, Counsel.

19 MR. ROONEY: Good morning, your Honors.

20

21

22

1 LAWRENCE ALONGI,
2 called as a witness herein, having been first duly
3 sworn, was examined and testified as follows:

4 DIRECT EXAMINATION

5 BY

6 MR. ROONEY:

7 **Q.** Mr. Alongi, do you have in front of you the
8 following exhibits that comprise the testimony that
9 you've presented in this proceeding:

10 First of all, I'd identify your direct
11 testimony, which is ComEd Exhibit 16.0, third
12 revised. And attached to that testimony are 23
13 exhibits, 16.1, revised; 16.2 through 16.6, 16.7,
14 second revised; 16.8, revised; 16.9, revised,
15 16.10, second revised?

16 **A.** Can you slow down, please?

17 **Q.** Sure.

18 **A.** And you were at 16.10.

19 **Q.** Second revised.

20 And 16.11 through 16.23 are all revised?

21 **A.** One clarification. Was 16.7 the second
22 revised?

1 **Q.** Yes, it is.

2 **A.** Yes, I have all that.

3 **Q.** Okay. And, Mr. Alongi, do you also have

4 before you supplemental direct testimony, which is

5 identified as Commonwealth Edison Exhibit 21.0

6 second revised; 21.2 -- I'm sorry -- 21.1, 21.2?

7 **A.** Okay.

8 **Q.** 21.3, revised; 21.4, 21.5, 21.6, 21.7 and

9 21.8, revised?

10 **A.** Yes.

11 **Q.** Do you also have before you rebuttal

12 testimony which was related to rate design --

13 excuse me, revenue requirement rebuttal testimony,

14 and that's reflected as Commonwealth Edison

15 Exhibit 7.0 and attached Exhibits 41.1, 41.2 and

16 41.3?

17 **A.** Hang on, because it seems to be out of

18 order. I've got 41.

19 **Q.** And that's Exhibit 41.0, along with

20 Attachments 41.1, .2, and .3?

21 **A.** Yes.

22 **Q.** Okay. Next is your rate design rebuttal

1 testimony that's identified as Commonwealth Edison
2 Exhibit 49.0, revised?

3 A. Yes.

4 Q. And attached to that testimony are
5 Exhibits 49.1, .2, .3, .4, .5, .6; 49.7, revised;
6 49.8, .9, .10, .11?

7 A. Yes.

8 Q. Okay. Do you also have in front of you
9 surrebuttal testimony related to revenue
10 requirement issues that's been identified as
11 Commonwealth Exhibit 68.0?

12 A. Yes.

13 Q. And attached to that exhibit are
14 Exhibits 68.1 and 68.2?

15 A. That's right.

16 Q. And, finally, do you have before you rate
17 design rebuttal testimony -- excuse me, surrebuttal
18 testimony identified as Commonwealth Edison Company
19 Exhibit 73.0, second revised, with attached
20 Exhibits 73.1, .2, .3, .4, .5, .6, .7, and 73.8,
21 revised?

22 A. That's correct.

1 **Q.** And that -- and all of that testimony we've
2 just identified has been prepared by you or under
3 your direction, correct?

4 **A.** That's correct.

5 MR. ROONEY: Your Honors, I'd seek to move into
6 evidence the direct, supplemental direct, rebuttal,
7 rate design rebuttal, surrebuttal and rate design
8 surrebuttal testimony and exhibits that I've
9 identified and that Mr. Alongi has acknowledged --
10 we've provided three copies for the trustee
11 (phonetic) as well as verifications for each set of
12 testimony.

13 JUDGE SAINSOT: Any objection?

14 JUDGE DOLAN: Hearing no objection, ComEd
15 Exhibit 16.0, third revised; ComEd's Exhibit 16.1,
16 revised; Exhibit 16.2 through 16.6, and then ComEd
17 16.7, second revised; 16.8, revised; 16.9, revised;
18 16.10, second revised; and then 16.11 through
19 16.23, revised; 21.0, second revised, 21.1 and .2,
20 21.3, revised, 21.4 through 21.7 and 21.8, revised;
21 ComEd Exhibit 41.0 through 41.3; ComEd Exhibit
22 49.0, revised; 41 -- 49.1 through 49.6, 49.7,

1 revised; 49.8 through 49.11; 68.0 through 68.2, and
2 ComEd Exhibit 73.0, second revised; ComEd
3 Exhibit 73.1 through 73.7, and 73.8 revised will be
4 admitted into the record.

5 (Whereupon, ComEd
6 Exhibit Nos. 16.0, third revised,
7 16.1, revised, Exhibit 16.2
8 through 16.6, 16.7, second
9 revised; 16.8 revised, 16.9,
10 revised; 16.10, second revised;
11 16.11 through 16.23, revised;
12 21.0, second revised, 21.1 and
13 .2, 21.3, revised, 21.4 through
14 21.7 and 21.8 revised; 41.0
15 through 41.3; 49.0, revised; 49.1
16 through 49.6; 49.7, revised; 49.8
17 through 49.11; 68.0 through 68.2,
18 73.0, second revised; 73.1
19 through 73.7, and 73.8 were
20 admitted into evidence
21 as of this date.)

22 MR. ROONEY: Thank you very much, your Honor.

1 Mr. Alongi's available for
2 cross-examination.

3 JUDGE DOLAN: Go ahead. Proceed, counsel.

4 MR. FEELEY: Can I go first?

5 JUDGE DOLAN: Yeah, go ahead.

6 CROSS-EXAMINATION

7 BY

8 MR. FEELEY:

9 **Q.** Good morning, Mr. Alongi. My name's John
10 Feeley and I represent the Staff.

11 **A.** Good morning.

12 **Q.** I have a few questions for you on primary
13 line and substations and class revenue allocations.
14 First, some questions about primary lines,
15 substation and the lights class.

16 Do you know of any substation on the
17 ComEd system that is built to serve only lighting
18 loads and not the loads of any other classes?

19 **A.** No.

20 **Q.** Would you agree that, as a general rule,
21 the substations that serve the lighting class also
22 serve the loads of other classes?

1 **A.** I would generally agree with that, yes.

2 **Q.** Okay. Do you know of any primary lines
3 that are built to serve only lighting loads and not
4 the loads of any other classes?

5 **A.** I'm not aware of any, no.

6 **Q.** Okay. Would you agree that, as a general
7 rule, the primary lines that serve the lighting
8 class also serve the loads of other classes?

9 **A.** I think that's generally true, primarily,
10 because lighting is everywhere.

11 **Q.** Okay. Now, some questions for you on the
12 class revenue allocations.

13 You testified concerning class revenue
14 allocations in this case, correct?

15 **A.** I think I provided some tables related to
16 the straight, fixed, variable allocations of
17 revenues --

18 **Q.** Okay.

19 **A.** -- if that's what you're referring to.

20 **Q.** Would you agree that as a general rule,
21 class revenue allocation should be based on costs?

22 **A.** Yes.

1 **Q.** Okay. And once the cost of service has
2 been determined and found reasonable, would you
3 agree that we can tell that revenues for a class
4 fully reflect costs if they recover a hundred
5 percent of that class's cost of service?

6 **A.** Yes.

7 **Q.** And once the cost of service has been
8 determined and found reasonable, would you agree
9 that if revenues for a class recover less than a
10 hundred percent of its costs, it does not fully
11 recover the costs of service?

12 **A.** I would agree with that, yes.

13 **Q.** And once the cost of service has been
14 determined and found reasonable, would you agree
15 that if revenues for one class recover less than a
16 hundred percent of its costs, at least one other
17 class has to recover more than a hundred percent of
18 its costs of service for the Company to be made
19 whole, correct?

20 **A.** I agree with that. We generally refer to
21 that as a zero-sum game.

22 **Q.** And in that situation, would you agree that

1 the class recovering less than a hundred percent of
2 its cost of service is being subsidized by other
3 classes?

4 **A.** Yes.

5 **Q.** And would you agree that the way to remove
6 the subsidy for a class is to bring that class up
7 to a hundred percent of its cost of service,
8 assuming that the cost of service is reasonable?

9 **A.** Yes. And, likewise, the other classes that
10 are over-recovering their costs should then be
11 brought to 100 percent of their cost.

12 **Q.** Okay. Would you agree that the revenue
13 increase for the high voltage class is below the
14 average increase for the nonresidential classes
15 under all proposed and exemplar class revenue
16 allocations presented by the Company in this case?

17 **A.** If you're referring to the fact that we
18 followed the Commission's four-step movement to
19 costs established in the Company's last rate case,
20 I do agree that there are three classes that are
21 under-recovering their cost based upon ComEd's
22 proposed rates in this case.

1 **Q.** And would you agree that the revenue
2 increase for the high voltage class is below the
3 average increase for the residential class under
4 all proposed and exemplar class revenue allocations
5 presented by the Company in this case?

6 **A.** I guess I have to take a look at the rate
7 design spreadsheets.

8 Your reference was to high voltage?

9 **Q.** High voltage in reference to the
10 residential classes. Would you like me to say the
11 question again?

12 **A.** Well, I'm -- I'm looking at the ComEd
13 Exhibit 73.1, which is ComEd's proposed rate design
14 in this case as modified in my rate design
15 surrebuttal. And in the column that's labeled
16 Percent of EPEC, Column K, it shows that the high
17 voltage class is at 85 percent of embedded cost of
18 service for that class -- and the two residential
19 classes that we have proposed are at 100 percent
20 EPEC.

21 **Q.** So after checking those documents, would
22 you agree that the revenue increase for the high

1 voltage class is below the average increase for the
2 residential classes under all proposed and exemplar
3 class revenue allocations presented by the Company
4 in this case?

5 JUDGE SAINSOT: Could you repeat that question?

6 MR. FEELEY: Sure.

7 BY MR. FEELEY:

8 Q. Would you agree that revenue increase for
9 the high voltage class is below the average
10 increase for the residential classes under all
11 proposed and exemplar class revenue allocations
12 presented by the Company in this case?

13 JUDGE SAINSOT: Thank you.

14 THE WITNESS: The percent increase?

15 BY MR. FEELEY:

16 Q. The revenue increase for the high voltage
17 is below the average increase for the residential
18 classes under all the allocations presented by the
19 Company in this case.

20 And percent, yes.

21 A. Okay. To take a look at the percent
22 increase as opposed to the percent of the embedded

1 cost, I have to look at another column.

2 And for high voltage -- I'm sorry. I
3 don't have that. Is there a particular page or
4 table in my testimony that you're referring to?

5 **Q.** I don't have one right now. Maybe if you
6 check 49.1.

7 **A.** Well, I think 49.1 has been replaced by
8 73.1 --

9 **Q.** Okay.

10 **A.** -- which was one of them that I was
11 looking, but I guess what I was trying to -- when
12 you asked the last question, you asked about the
13 percent increase as opposed to the percent of
14 embedded cost and I have that for our proposed
15 rates. I don't have that for all of the exemplar
16 rates.

17 So if I looked at the proposed rates, I
18 can tell you that single-family rates are
19 increasing 23.8 percent over current rates and
20 multifamily are increasing 9.2 over the current
21 rates, and high voltage is increasing 7.4 percent
22 over current rates.

1 JUDGE SAINSOT: You need to speak up,

2 Mr. Alongi.

3 THE WITNESS: Would you like me to repeat that?

4 JUDGE SAINSOT: No, just speak up. Just speak
5 louder.

6 THE WITNESS: I'll do my best.

7 BY MR. FEELEY:

8 Q. Are you done or...

9 A. The high voltage class increase is 7.4
10 percent. So at least for ComEd's proposed rates
11 and likely for the exemplar rates, I agree with
12 your statement.

13 Q. And would you agree that the revenue
14 increase for the high voltage class is below the
15 average increase for the Company as a whole under
16 all proposed and exemplar class revenue allocations
17 presented by the Company in this case?

18 A. Again, for the proposed increase for the
19 high voltage, it was 7.3 or 4 percent.

20 Q. I think you said 4.

21 A. Okay. 7.4 percent.

22 And the overall increase for all classes

1 was, I think, 17 percent. So I would agree with
2 that.

3 Q. Okay. Now, to your knowledge, does the
4 high voltage class recover a hundred percent of its
5 cost of service under any of ComEd's proposed or
6 exemplar class revenue allocations under the
7 revenue requirement proposed by ComEd in this case?

8 A. Not on -- not in any of the three scenarios
9 that we presented. They recover less than their
10 costs in the proposed, the exempt -- and the two
11 exemplars that we presented.

12 Q. Okay. Would you agree that based on all
13 the costs of -- the study results in class revenue
14 allocations presented by ComEd at its proposed
15 revenue requirement, the high voltage class is
16 being subsidized by other rate classes because it
17 recovers less than a hundred percent of its cost of
18 service under each of these scenarios?

19 A. Yes.

20 Q. Are you aware of the class revenue
21 allocations proposed by Staff Witness Boggs in this
22 case?

1 **A.** Yes. To some extent, yes.

2 **Q.** Would you agree that Staff proposes a
3 bigger revenue increase for the higher -- for the
4 high voltage, extra large load and railroad classes
5 than the Company proposes?

6 **A.** Yes.

7 **Q.** Would you agree that Staff's proposed
8 revenue allocation brings the high voltage, extra
9 large load and railroad classes closer to the costs
10 than the Company proposal?

11 **A.** I agree, yes.

12 **Q.** Would you agree that Staff's proposed
13 revenue allocation produces smaller subsidies for
14 the high voltage, extra large and railroad classes
15 than the Company proposal?

16 **A.** Yes, I agree.

17 MR. FEELEY: Thank you, Mr. Alongi.

18 That's all I have.

19 THE WITNESS: Thank you.

20 JUDGE DOLAN: Thank you.

21 Mr. Jolly?

22 MR. JOLLY: Thank you.

1 CROSS-EXAMINATION

2 BY

3 MR. JOLLY:

4 Q. Good morning, Mr. Alongi. I'm Ron Jolly.
5 I represent the City of Chicago in this proceeding.

6 A. Good morning.

7 Q. I'd like to start by reading to you a
8 couple of statements from Dr. Hemphill's revised
9 direct testimony to see if you agree with those
10 statements. And I can show you a copy of his
11 testimony, if you wish.

12 But why don't I just go ahead and read
13 them and you can tell me whether you agree with
14 them, okay?

15 A. Okay.

16 Q. The first statement at Page 4 of his direct
17 testimony beginning at Line 9, he states, ComEd has
18 designed its proposed rates in accordance with
19 established rate design policies and basic accepted
20 principles of economics.

21 Do you agree with that statement?

22 A. Yes.

1 **Q.** And then go -- continuing on, on Line 91 at
2 the bottom of Page 4 and carrying over to the top
3 of Page 5, Dr. Hemphill testified, Cost causation
4 has always been a linchpin of appropriate rate
5 design.

6 Do you agree with that statement?

7 **A.** Not quite sure what he means by "linchpin";
8 but I agree cost causation is an important
9 principle, yes.

10 **Q.** Okay. And so do you agree that rates
11 should be based on costs?

12 **A.** Yes.

13 **Q.** Okay. And that is true for all the rates?

14 **A.** All electric delivery rates?

15 **Q.** Yes.

16 **A.** Yes.

17 **Q.** And so that also includes the rates for
18 city street-lighting?

19 **A.** Dusk-to-dawn street-lighting, which
20 includes the city, yes.

21 **Q.** Okay. Now, the rates that ComEd charges
22 for city streetlights, that was a subject that the

1 Commission addressed in the rate design docket,
2 Docket 08-0532; is that accurate?

3 A. That's correct.

4 Q. And what was -- what was the purpose of the
5 rate design investigation?

6 A. Well, if I could refer to the initiating
7 order, it might be helpful.

8 Q. Well --

9 JUDGE SAINSOT: Mr. Alongi, you really need to
10 speak up. We're broadcasting to Springfield, and I
11 want to make sure that they hear you.

12 THE WITNESS: I'll certainly do my best. My
13 voice does not project well.

14 MS. McNEILL: Judge, I'll put another mike at
15 his table.

16 JUDGE SAINSOT: Is that possible? Do we have an
17 extra microphone laying around?

18 (Discussion off the record.)

19 BY MR. JOLLY:

20 Q. Let me just -- rather than going to the
21 Commission's initiating order, would you -- would
22 it be fair to say that the Commission initiated

1 Docket 08-0532 to investigate certain aspects of
2 ComEd's embedded cost study?

3 A. I think that's a reasonable representation
4 of what they --

5 Q. Okay. And one of those issues concerned
6 the embedded cost study and the city streetlights,
7 correct?

8 A. Again, I'd have to take a look at the
9 investigating -- at the initiating order, but I
10 believe street-lighting was one of the items that
11 were identified.

12 Q. Okay.

13 A. I can accept that subject to check, as they
14 say.

15 Q. Okay. Well, you testified in that case,
16 correct?

17 A. Yes.

18 MR. JOLLY: And are we marking excerpts from
19 orders as cross exhibits?

20 JUDGE DOLAN: No.

21 MR. JOLLY: Okay.

22 JUDGE SAINSOT: You're not going to move for

1 admission?

2 MR. JOLLY: No. No. I just asked.

3 BY MR. JOLLY:

4 Q. Let the record reflect that I handed -- I
5 handed -- I handed Mr. Alongi an excerpt from the
6 Commission's order -- April 21st, 2010 order in
7 Docket 08-0532.

8 And, in particular, I was wondering, one
9 of the issues that the Commission addressed in its
10 order and its -- and in its analysis and conclusion
11 concerned secondary service costs with respect to
12 city streetlights; is that accurate?

13 A. Yes.

14 Q. Okay. And if you -- and the Commission
15 sets forth its conclusion on that issue at Page 52
16 to 53; is that right?

17 A. Yes.

18 Q. Okay. And on Page 53 in the last paragraph
19 of that conclusion, in the last sentence, the
20 Commission states, In the absence of any meaningful
21 refutation of the City's calculation by ComEd, we
22 direct that the charge for street-lighting service

1 drop should be calculated in the manner supported
2 by the City of Chicago, which in this instance is
3 \$183,000; is that accurate?

4 A. Other than the word "supported," your --
5 that reading is accurate. It says suggested.

6 Q. Oh, I'm sorry. Okay.

7 Now, going to your rebuttal testimony --
8 your rate design rebuttal testimony, which is
9 Exhibit 49.0.

10 A. Yes.

11 Q. Okay. At Pages 44 through 45 -- at the
12 bottom of pages -- on Page 44 and carrying over to
13 the Page 45.

14 Are you there?

15 A. Yes.

16 Q. And you cite the -- that portion of the
17 order that I just read; is that accurate?

18 A. Could you repeat that question?

19 Q. In your testimony on top of Page 45, you
20 cite the portion of the order -- the Commission's
21 order in Docket 08-0532 that I just read?

22 A. Yes.

1 **Q.** And in your testimony in this case, you
2 have (sic) attempted to provide any more meaningful
3 refutation of the City's position from the rate
4 design case; is that correct?

5 **A.** That's correct.

6 **Q.** And so after -- after quoting the
7 Commission's order there on Page 45, you go on to
8 explain why ComEd did not provide a more meaningful
9 refutation in the prior case; is that accurate?
10 And you can...

11 **A.** I don't think that's an explanation of why.
12 I think it's additional information as to why we
13 disagree with the method that the City of Chicago
14 suggested.

15 **Q.** Okay. And you refer to that as "the
16 Chicago method," right?

17 **A.** To make it easy to reference, yes.

18 **Q.** Okay. So if I refer to it as "the Chicago
19 method," you understand that I'm talking about
20 Mr. Bodmer's analysis in this case and in the rate
21 design case?

22 **A.** Yes.

1 **Q.** In your testimony in this case, you offer
2 certain modifications to Mr. Bodmer's Chicago
3 method; is that right?

4 **A.** That's correct.

5 **Q.** And one change you make is to include alley
6 lights in the analysis of costs that are -- that
7 ComEd incurs in serving the city streetlights; is
8 that right?

9 **A.** That's correct.

10 The connection of the city alley lights
11 to ComEd's distribution system are costs that ComEd
12 incurs and should be included in this approach, if
13 the Commission agrees that the approach should
14 still be used.

15 **Q.** Okay. And that -- and your discussion of
16 that is at Pages 48 through 49, Lines 10 -- 1,084
17 through 1102 of your rebuttal testimony?

18 **A.** What was the -- what were the line numbers?

19 **Q.** I have 1,084 through 1102.

20 **A.** Yes.

21 JUDGE SAINSOT: Could you state that again? I'm
22 sorry.

1 MR. JOLLY: It's Pages 48 through 49,
2 Lines 1,084 through 1,102.

3 JUDGE SAINSBOT: Thank you.

4 BY MR. JOLLY:

5 Q. Now, attached to your rebuttal testimony,
6 your rate design rebuttal testimony was
7 Exhibit 49.7; is that right?

8 MR. ROONEY: Just to be clear, it's 49.7,
9 revised.

10 MR. JOLLY: Okay. Yes.

11 MR. ROONEY: Thank you.

12 THE WITNESS: Yes.

13 BY MR. JOLLY:

14 Q. And just so I'm clear, the revision that
15 was submitted was submitted yesterday and all it
16 did was change the -- a reference to an exhibit
17 number.

18 Do you recall that?

19 A. Yes. There's Line 3-1 that referenced the
20 source as being ComEd Exhibit 49.5, and that was
21 changed to ComEd Exhibit 49.8.

22 Q. Okay. Thank you. Because I don't have the

1 revised version with me. I wanted to make sure
2 that was the only change.

3 A. Yes.

4 Q. Now, could you explain what Exhibit 49.7 is
5 designed to do?

6 A. This is an expansion of Mr. Bodmer's
7 approach to calculating the cost of the secondary
8 and surface wire to connect the City of Chicago
9 streetlights to include alley lights.

10 Q. And the shaded portion of the -- of the
11 first page of Exhibit 49.7, that represents your
12 inclusion of alley lights into the Chicago method?

13 A. That's correct.

14 Q. Okay. And looking at -- I believe it's
15 Line 4-A, you -- it says there that the -- that the
16 line states, Percent used by alley city lights, and
17 then it says, 33 percent. And the source is City
18 estimate from above.

19 Could you explain what that means?

20 A. Could you repeat the line number?

21 Q. It's -- I think it's 4-A. I may need your
22 magnifying glass. I think that's right, though.

1 **A.** What I see in 4-A, it says total feet --
2 **Q.** Oh, okay.
3 **A.** -- calculation.
4 **Q.** Okay. Then that's not it. It's the line
5 above that.
6 JUDGE SAINSOT: Mr. Jolly, you could probably
7 just show him what you got.
8 MR. ROONEY: Maybe --
9 JUDGE SAINSOT: What you have. Excuse me.
10 MR. ROONEY: Maybe just to clarify, I think
11 there's actually two 4-As, Mr. Alongi.
12 MR. JOLLY: Yeah, there's two 4-As.
13 MR. ROONEY: Because there were two 4s in the --
14 maybe the City exhibit above. So you have two
15 4-As. If you look at the first one.
16 THE WITNESS: Thank you.
17 BY MR. JOLLY:
18 **Q.** Do you want me to -- do you see the line
19 now?
20 **A.** Yes, I do.
21 **Q.** Okay. And can you explain what that line
22 means?

1 **A.** Initially, Mr. Bodmer made an estimate for
2 the arterial and residential streetlight
3 connections being shared by other customers, and he
4 estimated that the arterial and residential
5 street-lighting shared only 33 percent of the cost.

6 And that -- I can't remember exactly
7 what his rationale was, but we just applied that
8 same rationale for alley lights.

9 **Q.** Okay. Well, if you go up above to the
10 nonshaded part and the first No. 4 where it says,
11 Estimate, 33 percent. My understanding is that
12 ComEd states that because City arterial and
13 residential lights -- the facilities that serve
14 City arterial and residential lights also serve
15 other customers, and Mr. Bodmer assumed that one
16 third of the costs of ComEd facilities should be
17 attributed to the City arterial and residential
18 lights; is that right?

19 **A.** As opposed to other customers. Yes, that
20 was his assumption.

21 **Q.** Right.

22 And so in the shaded area, you just

1 adopted -- you just adopted his 33 percent figure;
2 is that correct?

3 **A.** We used it simply to expand his approach to
4 include alley lights, yes.

5 **Q.** So you didn't conduct an independent
6 analysis to determine whether that 33 percent
7 represents an accurate representation of the City
8 alley lights use of ComEd's secondary wire and
9 transformers and City alleys?

10 **A.** Well, we did take a look at -- if you look
11 at ComEd Exhibit 49.8, which is a sample of a set
12 of alleys in the City of Chicago where alley lights
13 are located, to determine -- the purpose of this
14 exhibit was to determine the average length of
15 secondary wire from a ComEd transformer to an alley
16 light on average.

17 So I don't know if that's considered an
18 independent analysis of Mr. Bodmer's 33 percent,
19 but it is an analysis at least of one aspect of
20 Mr. Bodmer's approach.

21 **Q.** Okay. Well, Exhibit 49.8, you -- when you
22 derived the average length for -- of wire serving

1 the City alley lights, you applied that 33 percent
2 to the length of the wire; is that accurate?

3 And I think that's on -- well...

4 A. It was applied to the cost of the average
5 length of wire.

6 Q. Times the number of feet that were derived
7 from Exhibit 49.8?

8 A. Yes.

9 Q. Okay. Now, just so the record's clear,
10 Mr. Bodmer, he applied the 33 percent figure to the
11 length of wire between ComEd's transformer and the
12 city controller box where ComEd's system connects
13 to City streetlights for residential and arterial
14 streets; is that right?

15 A. That was his assumption, yes.

16 Q. Now, do you agree that there are other
17 customers that are served by the secondary wire and
18 secondary transformers that serve City alley
19 lights?

20 A. Yes.

21 Q. Now, going to Exhibit 47 -- or 49.8, as you
22 said, according to the title, this is a sample of

1 alleys with City alley lights in ComEd's secondary
2 distribution wire and transformers; is that
3 correct?

4 **A.** Yes, it is.

5 **Q.** And you have -- there are four alleys set
6 forth in Exhibit 49.8?

7 **A.** That's correct.

8 **Q.** Okay. And going from left to right, as I
9 read the exhibit, there are five alley lights in
10 Alley 1, five alley lights in Alley 2, three alley
11 lights in Alley 3 and three alley lights in
12 Alley 4; is that accurate?

13 **A.** That's accurate, yes.

14 **Q.** Are you familiar with the portion of the
15 city from which your sample alleys are taken?

16 **A.** To some extent. I went to high school at
17 Lane Tech at Addison and Western and this borders
18 along Western Avenue, so I have some, you know,
19 knowledge of the area.

20 **Q.** Do you know -- I mean, Western is a main
21 thoroughfare with many commercial customers on it.
22 Is that a fair comment?

1 **A.** That's correct. Sure.

2 **Q.** Now, do you know if the streets west of
3 Western Avenue, Artesian, Campbell and Maplewood,
4 are residential streets?

5 **A.** I believe they are, but I'm not familiar
6 with the area right between Highwood and Ardmore,
7 but I believe they are.

8 MR. JOLLY: May I approach the witness?

9 JUDGE SAINSOT: Yes, you may.

10 (Whereupon, City Cross
11 Exhibit No. 1 was
12 marked for identification
13 as of this date.)

14 BY MR. JOLLY:

15 **Q.** I handed the witness what I have marked as
16 City Cross Exhibit 1. And I represent that this is
17 an image taken from Google Earth that shows the --
18 the four alleys identified in Exhibit 49.8.

19 **A.** I guess I have to trust you because they're
20 not identified on Google Apps.

21 **Q.** Okay. Right. Well, I guess what I would
22 say is, as you look towards the top, it does say

1 4800 North Western. Do you see that?

2 I can point it out to you.

3 A. Oh, there. Yes.

4 Q. Okay. Well, Ardmore, I believe, is 5800
5 north. So...

6 A. I accept that.

7 Q. Okay. Well, as I -- I'm sorry the image is
8 not better; but going from the right on this here,
9 there's Western Avenue, the major street, and
10 that's Rose Hill Cemetery to the right of that.

11 And I see the first alley is behind the
12 set of buildings just on the left side of Western?

13 A. Okay.

14 Q. All right. And then the next, going -- as
15 you go left, there's a clump of trees. That's a
16 residential street. And then the next kind of --
17 the next thoroughfare is an alley. Clump of trees
18 is a residential street. Alley; clump of trees;
19 alley.

20 So, as I count, that's one, two, three,
21 four alleys.

22 A. I agree.

1 Q. Okay. And assuming that my -- this is an
2 accurate image of what's in Exhibit 49.8, would you
3 agree that there are many residential customers
4 served by the secondary facilities that are in each
5 of these alleys?

6 A. I would agree that there are many
7 residential...

8 Q. And would you agree that there are probably
9 at least 20 houses per alley that are served?

10 MR. ROONEY: Just for clarification, Mr. Jolly,
11 when you say "served," where -- where ComEd's
12 providing distribution service off of the same
13 lines --

14 MR. JOLLY: Yeah.

15 MR. ROONEY: -- that are serving the
16 streetlights or the alley lights in the alley?

17 MR. JOLLY: Yes, that's what I mean.

18 THE WITNESS: I would agree that there were --
19 in the alleys where the alley lights are located,
20 the Commonwealth Edison secondary in those alleys
21 served 20 or so houses in each alley. Sure.

22 BY MR. JOLLY:

1 Q. Okay. And you're familiar with the
2 distribution system in Chicago?

3 A. Yes.

4 Q. And homes, by and large, are served from
5 the alley from the wires that go through City
6 alleys; is that correct?

7 A. By and large, that's correct.

8 JUDGE SAINSOT: Mr. Jolly, just for the record,
9 I don't think it's clear that these are all houses.
10 They all have flat roofs. They could very well be
11 two-flats or three-flats.

12 MR. JOLLY: That's correct. And I --

13 JUDGE SAINSOT: Or larger.

14 MR. JOLLY: And I think that the structures on
15 Western, I think, are businesses, actually, but
16 they're houses or multifamily residences.

17 BY MR. JOLLY:

18 Q. Do you know what the wattage is of the
19 typical City alley light?

20 A. I'm not sure. I think it might be 250
21 watts.

22 Q. Okay. So if it's 250 watts and there

1 are -- looking at Alley 1, and there are five
2 lights, that's a total of 1250 watts; is that
3 correct?

4 A. My calculator -- I'm sorry.

5 Well, 2500, you said? Is that what
6 you --

7 Q. No. 250 times five --

8 A. Oh.

9 Q. -- would be 1,250?

10 A. Yeah, 1250. Right.

11 Q. Okay. And that's equal to 1.25 kilowatts?

12 A. Depending on the power factor, the
13 kilowatts, yes.

14 Q. Okay. And so to determine the
15 kilowatt-hour usage, assuming that the City
16 streetlights -- or City alley lights are on for 12
17 hours, would you multiply that 1.25 for the one
18 alley with five lights, 1.25 times 12, right, times
19 365 to determine the amount of kilowatt-hours that
20 the City -- the City alley lights use in a year?

21 A. In that one alley, yes.

22 Q. I'm sorry?

1 **A.** In that one alley, yes.

2 **Q.** Okay. Would you accept, subject to check,
3 that that's 5,475 kilowatt-hours?

4 **A.** Yeah, I'll accept that subject to check.
5 Sure.

6 **Q.** Okay. Now, assuming that the alley on the
7 far left is the alley in the far left here in the
8 alley between Hollywood and Ardmore and between
9 Rockwell and Maplewood.

10 **A.** Okay.

11 **Q.** Assuming that there are 20 residences
12 there, what -- do you know what the average
13 kilowatt-hour per month usage is for the Chicago
14 residents?

15 **A.** I can't tell you for sure what the Chicago
16 residence is, but I can tell you just on average
17 residential as a whole.

18 **Q.** Okay.

19 **A.** It's roughly a little more than 600
20 kilowatt-hours.

21 **Q.** Okay. Well, to be fair, I think Chicago
22 uses -- Chicago residents use, on average, less

1 power. So I can -- I was just going to suggest
2 that you assume that the average residence use 500
3 kilowatt-hours per month, okay?

4 A. You know, I'm looking at what I just gave
5 you. That sounds a lot more like the average
6 monthly --

7 Q. For the system as a whole?

8 A. -- residential use, 600 kilowatt-hours in a
9 month.

10 Q. Right. Right.

11 A. Okay.

12 Q. Yeah. So to get -- to determine the
13 kilowatt-hours per year for a household, you would
14 take that, let's say, 500, to be conservative,
15 times 12, correct?

16 A. Okay. Yeah.

17 MR. ROONEY: You're asking this in a
18 hypothetical form at this point, Mr. Jolly?

19 MR. JOLLY: Yes.

20 BY MR. JOLLY:

21 Q. Okay. So if -- that's 6,000 kilowatt-hours
22 for one residence?

1 **A.** That's correct.

2 **Q.** And so if you assume there are 20
3 residences that are served from the ComEd secondary
4 facilities in that -- in that alley, you would
5 multiply that 6,000 times 12; is that correct? I
6 mean, times 20, rather?

7 6,000 times 20?

8 **A.** Correct.

9 **Q.** So that would give you 120,000.

10 So assuming that, you know, using these
11 assumptions on the alley again bordering between
12 Hollywood and Ardmore and between Rockwell and
13 Maplewood, the homes use 120,000 kilowatt-hours per
14 year, and the wire -- whereas the streetlights --
15 or the alley lights, rather, use roughly 4 -- 5500.

16 Would you agree that that's greater than
17 20 times the amount that the -- the residents use
18 more than 20 times the amount of electricity that
19 the residents -- the residences use 20 times more
20 electricity than the alley lights use?

21 **A.** I agree that the energy used by the
22 streetlights is less; but the way we size our wire

1 is based upon the demand, not the energy.

2 Q. Okay. So what is -- what would be the
3 demand for five 250-watt bulbs, alley light bulbs?

4 A. Five times 250.

5 Q. Which is, again, 1.25 --

6 A. 1.25.

7 Q. -- kilowatts.

8 What's the average demand for a
9 residence?

10 A. It's probably in the area of three
11 kilowatts.

12 Q. Three kilowatts?

13 And so would you multiply that three
14 kilowatts times 20 in this case?

15 A. Yes.

16 Q. So it'd be 60 kilowatts versus 1.25?

17 A. Yes.

18 Q. Okay. And do you believe then that the 33
19 percent allocated to City alley lights is a fair
20 allocation, given those numbers?

21 A. I guess the first thing I should say is I
22 disagree with the use of the Chicago method; but in

1 using it, I just accepted his 33 percent
2 allocation.

3 Q. "His" being Mr. Bodmer's?

4 A. Yes.

5 MR. JOLLY: Okay. I have nothing further.

6 JUDGE DOLAN: Okay.

7 Thank you.

8 JUDGE SAINSOT: Okay. Who's next?

9 CROSS-EXAMINATION

10 BY

11 MR. GOWER:

12 Q. Good morning, Mr. Alongi. I'm Ed Gower. I
13 represent Metra. It's always a pleasure to see
14 you.

15 A. Good morning, Mr. Gower.

16 Q. You're supposed to reciprocate.

17 I'll be mercifully short, one of the
18 shortest examinations you've ever had.

19 Mr. Alongi, you recall that the embedded
20 cost of service for the railroad delivery class
21 presented by Commonwealth Edison Company in the
22 2005 delivery services rate case, which was

1 Docket 05-0597, was \$8,521,989?

2 A. I don't recall that number exactly.

3 Q. If I showed you your rate design sheet from
4 that proceeding, would that refresh your
5 recollection?

6 A. And that's the allocation from the embedded
7 cost of service study?

8 Q. Yes, sir.

9 A. It -- it is in the right range.

10 Q. About 8.5 million sounds right?

11 A. Sounds about the right range, yes.

12 Q. Okay. And do you also recall that
13 Commonwealth Edison's proposed revenue requirement
14 in that case was just under 1.9 billion?

15 A. That sounds right, yes.

16 Q. And you recall that ComEd's proposed
17 railroad delivery service rates in that case were
18 designed to recover the full cost of service
19 calculated in ComEd's embedded cost of service
20 study?

21 A. I believe that's correct, yes.

22 Q. And do you recall that the embedded cost of

1 service study presented by Commonwealth Edison
2 Company in the railroad delivery -- excuse me. Let
3 me start again.

4 Do you recall that the embedded cost of
5 service study presented by the Commonwealth Edison
6 Company that calculated the railroad delivery
7 service class costs in the 2007 delivery services
8 rate case was \$8,586,072?

9 A. I'll accept that, subject to check.

10 Q. Would you like to check -- I have your
11 Exhibit 32.2 here with me, which was submitted in
12 your -- an attachment to your rebuttal testimony.
13 Is that what you would check?

14 A. That would be helpful.

15 Q. Okay. Let me show that to you, if I may.

16 A. Did you want to give me a copy?

17 Q. I did, as a matter of fact.

18 A. Thank you.

19 Q. And I note, Mr. Alongi, that you have --
20 like you, you have forced me to increase the
21 magnification on my glasses to read your second
22 page of the rate design sheets.

1 **A.** I agree the print is small.

2 **Q.** Let me re- -- having shown you what I
3 would -- what was previously marked in the '07 case
4 as ComEd Exhibit 30-point -- 32.2 and was attached
5 to your rebuttal testimony, I'd ask you if that
6 refreshes your recollection that the cost of
7 service calculated by Commonwealth Edison in the
8 2007 rate case for the railroad delivery service
9 class was \$8,586,072?

10 **A.** That is the cost shown for the railroads in
11 the total embedded revenue column, yes.

12 **Q.** And do you also recall that ComEd's
13 proposed revenue requirement in the 2007 rate case
14 was two million -- excuse me -- \$2,042,894,000?

15 **A.** Correct.

16 **Q.** Now, do you recall that ComEd's initial
17 proposal in the 2007 rate case, which was
18 Docket 07-0566, was to set the railroad delivery
19 class rates at a level that would have enabled
20 ComEd to recover the full amount of the almost 8.6
21 million cost calculated to serve the railroad
22 delivery cost?

1 **A.** That's my recollection, yes.

2 **Q.** And then in rebuttal testimony,
3 Mr. Crum- -- and in your testimony and
4 Mr. Crumrine's testimony, ComEd made a mitigation
5 proposal to only increase the railroad class rates
6 50 percent toward recovery of costs of the full
7 calculated cost of service for the railroad
8 delivery class; is that right?

9 **A.** That's right.

10 **Q.** And then using the almost 8.6 million
11 number as the cost to serve the railroad class,
12 correct?

13 **A.** Correct.

14 **Q.** Now, in this case, I have the exhibits, if
15 they would be helpful to you, but do you recall
16 that the embedded cost of service calculated by
17 ComEd Edison for the railroad delivery class is
18 6.35 million in one of ComEd's cost of service
19 studies and just under 6 million in the other two
20 studies?

21 **A.** I'd accept that, subject to check. Sure.

22 **Q.** Well, let me -- do you have your testimony

1 in front of you? I have --

2 A. I have -- I have a lot of testimony in
3 front of me.

4 Q. I can show you exhibits. It probably would
5 be easier for me just to show you
6 Commonwealth Edison Exhibits --

7 A. I have it.

8 Q. -- 73.1 and 73.2 and 73.3.

9 A. Yes, I have it.

10 Q. Okay. Having looked -- first, let's look
11 at Commonwealth Edison Exhibit 73.1 in this case.
12 And can you tell us what the calculated cost of
13 service for the railroad class is in that document?

14 A. \$6,351,783.

15 Q. Okay. And that's the cost of service study
16 prepared using Commonwealth Edison's traditional
17 embedded cost of service method as modified in the
18 special rate design investigation; is that correct?

19 A. Right. The significant changes from the
20 embedded cost of service study in the last rate
21 case was to allocate the cost of primary
22 distribution to substations based upon coincident

1 peak rather than noncoincident peak, which is how
2 we had previously allocated those costs, and to
3 include the differentiation between primary and
4 secondary distribution system costs.

5 Q. Right. And then in addition to that,
6 Commonwealth Edison prepared two exemplar cost of
7 service studies based, among others, on a primary
8 voltage class; is that correct?

9 A. The 73-point -- ComEd Exhibit 73.2 is an
10 exemplar rate design which includes a primary
11 voltage delivery class. 73.3 is an exemplar --
12 alternative exemplar rate design which includes
13 primary voltage, distribution facility charges and
14 primary voltage transformer charges in each of the
15 five existing demand-based classes.

16 Q. And as between the two exemplar rates,
17 Commonwealth Edison's referred cost of service
18 study is that reflected -- whose results are
19 reflected in Commonwealth Edison Exhibit 73.2; is
20 that correct?

21 A. Right. In my testimony, I refer to it as
22 the preferred exemplar.

1 Q. And what's the cost of service study --
2 excuse me. What is the cost of service calculated
3 in that preferred exemplar for the railroad
4 delivery class?

5 A. \$5,999,968.

6 Q. And in 73.3, which is not the preferred, it
7 also is 5.9 million-something, is that correct?
8 Just under 6 million for the cost to serve the
9 railroad delivery class?

10 A. \$5,999,805.

11 MR. GOWER: Okay. Thank you, Mr. Alongi.

12 Those are all the questions I have.

13 JUDGE DOLAN: Mr. Gower, before you move, we
14 were just thinking that you weren't here to enter
15 your appearance this morning. So we probably
16 should make sure that you enter it in the record
17 today.

18 MR. GOWER: Thank you for looking out for my
19 interest, Judge.

20 My name is Ed Gower. I represent Metra.
21 My address is Hinshaw and Culbertson, LLP,
22 400 South 9th, Suite 200, Springfield, Illinois

1 62701.

2 JUDGE DOLAN: Thank you.

3 JUDGE SAINSBOT: Okay. Is there anybody else
4 that needs to enter an appearance while we're
5 breaking?

6 JUDGE DOLAN: Mr. Balough?

7 MS. LUSSON: I'm not sure if Mr. Borovik
8 mentioned my name.

9 MR. ROONEY: He did.

10 MS. LUSSON: Okay.

11 MR. BALOUGH: Richard C. Balough, Balough Law
12 Office, LLC, One North LaSalle, Suite 1910,
13 Chicago, Illinois 60602, representing the Chicago
14 Transit Authority.

15 MR. BOEHM: Good morning.

16 Kirk Boehm, representing The Kroger
17 Company, 36 East 7th Street, Suite 1510,
18 Cincinnati, Ohio 45202.

19 JUDGE DOLAN: Okay.

20

21

22

1 CROSS-EXAMINATION

2 BY

3 MS. LUSSON:

4 Q. Good morning, Mr. Alongi. My name's Karen
5 Lusson and I'm from the Attorney General's Office.

6 A. Good morning.

7 Q. And I just have some questions regarding
8 the Company's proposed residential rate design.

9 If you could turn to your Exhibit 49.1,
10 Page 1 of 4.

11 Now -- I'm sorry.

12 A. Yes.

13 Q. And it's correct, isn't it, that the
14 Company is proposing in this docket to change the
15 existing customer charge for single-family
16 customers from \$7.64 to \$18.95?

17 A. This particular exhibit has been superseded
18 by 73.1, which would be the current Company
19 proposal. If you'd rather refer to that.

20 Q. And that customer charge, that proposed
21 customer charge is \$18 and how many cents?

22 A. In 49- -- in Exhibit 49.1, the customer

1 charge is \$18.95. And I need to check on my
2 Exhibit 73.1 to see what the current proposal is.

3 Q. Okay. Please do so.

4 Thank you.

5 A. Under the current proposal, the customer
6 charge for single family would be \$18.73.

7 Q. Okay. So the latest version is that the
8 customer charge for single family -- single-family
9 customers would go from \$7.64 under existing rates
10 to \$18.73 under the Company's proposed revenue
11 requirement; is that right?

12 A. Correct.

13 Q. And for multifamily customers, the customer
14 charge would change from the existing \$6.65 to
15 \$9.29; is that correct?

16 A. Correct.

17 Q. Would you agree, generally speaking, that
18 the residential class is highly diverse in terms of
19 the dwellings that people live in, including
20 smaller single-family homes, larger estates, for
21 lack of a better term; apartments in large
22 multifamily buildings and small studio apartments,

1 to name just a few?

2 **A.** Well, there is diversity within each of the
3 two residential classes that ComEd has proposed.
4 Multifamily that you can have small studio
5 apartments and -- as well as large apartments and,
6 likewise, single family, you can have large
7 single-family homes and smaller ones.

8 **Q.** And would it be fair to say that ComEd's
9 residential class includes customers who use as
10 little as a hundred kilowatt-hours per month and
11 those who use thousands of kilowatt-hours per month
12 in the residential class?

13 **A.** I agree -- those are extremes, but I agree
14 there are customers in the class that have those
15 type of usages.

16 **Q.** And that would be, in fact, within the
17 two -- within the inter-classes, too?

18 Would you agree that, that is, that
19 there may be customers in single-family dwellings
20 that have very low usage and customers that have
21 thousands of kilowatt-hours per month?

22 **A.** Within single family, that's true, and it's

1 also true --

2 Q. In the multi- --

3 A. -- in the multifamily, yes.

4 Q. Now, ComEd is proposing to collapse the
5 residential class into two rate schedules, which
6 eliminates the heating and non-heating distinctions
7 for both the single family and the multifamily
8 classes; is that right?

9 A. I don't use the term "rate schedules," but
10 we're consolidating four delivery classes into two
11 delivery classes for residential, yes.

12 Q. But, essentially, it's eliminating the
13 heating and non-heating distinctions within those
14 two rate schedules?

15 A. That's correct. It's been a common
16 practice to eliminate end-use rates.

17 Q. Would you agree that ComEd includes a
18 distribution facilities charge, which is the
19 per-kilowatt-hour charge for distribution service,
20 for each residential rate schedule on its bills?

21 A. Could you repeat that?

22 Q. Sure. Let me rephrase that.

1 Would you agree that ComEd includes
2 distribution facility charges for each of its
3 residential rate schedules today?

4 **A.** Again, we have four existing residential
5 delivery classes, and within each of those four
6 delivery classes, we have distribution facilities
7 charges.

8 **Q.** And just to make sure the record is clear,
9 by distribution facilities charges, we're talking
10 about the variable kilowatt-hour charge for each of
11 the classes, is that right, when we say the
12 distribution facilities charge?

13 **A.** For residential customers, the distribution
14 facilities charge is a variable charge that varies
15 by kilowatt-hour.

16 **Q.** Would you agree at the present time,
17 ComEd's tariff for residential service contains a
18 separately stated distribution facilities charge or
19 kilowatt-hour charge for each of the four
20 residential rate schedules?

21 And that -- when I say there is a
22 separate distribution facilities charge, I'm

1 talking about a line item.

2 MR. ROONEY: I guess just by way -- to make
3 sure -- Mr. Alongi didn't define his rate
4 schedules. I want to make sure we're talking about
5 the same thing. The question's been asked twice
6 and he's corrected it twice.

7 For the sake of the record, could we
8 maybe ask a question related to the way ComEd
9 refers to the four customer classes?

10 MS. LUSSON: I'm not sure what -- perhaps you
11 could tell me what was wrong with my question.

12 BY MS. LUSSON:

13 Q. I -- my question was, would you agree, at
14 the present time, ComEd's residential tariff
15 already contains a separately -- a separate
16 distribution facilities charge line item for each
17 of its four rate classes?

18 A. No, a customer in each of the four
19 residential delivery service rate classes or
20 delivery classes receive bills with a line item
21 that has a distribution facilities charge. For two
22 of those classes, the charge is identical.

1 So for the space heating customers, the
2 charge that they see, whether they're in
3 multifamily or single family, is identical to the
4 distribution facilities charge of the single-family
5 space heaters.

6 And, likewise, the charge that
7 nonspace-heating customers see on their bill is the
8 same whether they're multifamily or single family.

9 **Q.** Okay. So -- and I understand that the
10 values are the same for both heating customers,
11 multifamily and single family, on the distribution
12 facilities charge.

13 But, in fact, on the bills for each of
14 those classes, whether the value is the same or not
15 for heating customers or non-heating customers,
16 there is a line item for distribution facilities
17 charge for each of those classes?

18 **A.** On the bill, yes. Hm-hmm.

19 **Q.** Would you agree that Mr. Rubin's rate
20 design proposal adds no additional line item to the
21 bill itself, the existing tariff?

22 **A.** I don't recall exactly if Mr. Rubin

1 included the Illinois Electricity Distribution Tax
2 line item that ComEd is proposing to add to the
3 bill. So I guess I don't know.

4 Q. Well, if he's not including it, then,
5 certainly, the answer would be yes, wouldn't it?

6 If he's not including it -- either way,
7 he doesn't add an additional line item to the bill
8 with his rate design proposal, does he, in terms of
9 kWh charges or distribution facilities charges?

10 MR. ROONEY: I'd object. Asked and answered.

11 Mr. Alongi's indicated he doesn't know
12 what Mr. Rubin did with regard to the distribution
13 tax.

14 JUDGE SAINSOT: Sustained. If he doesn't know,
15 he doesn't know.

16 BY MS. LUSSON:

17 Q. Mr. Alongi, I'm going to show you -- I
18 won't mark the exhibit. It's already attached to
19 Mr. Rubin's testimony. This is AG/CUB
20 Exhibit 6.17, which presents the AG/CUB proposed
21 rate design.

22 I'm sorry. If you would, do you recall

1 my last question?

2 Looking at that document, would you
3 agree that Mr. Rubin's rate design proposal adds no
4 additional line item to the existing ComEd bills
5 for the residential classes?

6 **A.** I agree there's no additional base rate
7 line items.

8 **Q.** Would you agree generally that heating
9 customers, both in the single family and
10 multifamily residential classes, use substantially
11 more electricity each year on average than
12 non-heating customers?

13 MR. ROONEY: Just for clarification, are we
14 referring to space-heating customers?

15 MS. LUSSON: Yes.

16 THE WITNESS: I agree on average. Although, I
17 would also say that there are nonspace-heating
18 customers that use as much, if not more, in some
19 cases than space-heating customers. Kind of going
20 to the extremes that you started with, yes.

21 BY MS. LUSSON:

22 **Q.** Hm-hmm. But, generally speaking, in terms

1 of comparing nonspace-heating residential customers
2 in both single and multifamily and heat --
3 space-heating single family and multifamily
4 customers, you'd agree that, generally, that they
5 use substantially more electricity each year on
6 average?

7 **A.** Nonspace-heating customers, yes, I could
8 agree with that on average.

9 **Q.** Mr. Alongi, were you here during the
10 cross-examination of Mr. Heintz?

11 **A.** No.

12 **Q.** I want to show you an attachment. Again, I
13 won't mark it as an exhibit because this is
14 attached to Mr. Rubin's testimony. And this was
15 just presented to Mr. Alongi during his
16 cross-examination.

17 And this is AG/CUB Exhibit 6.01, and it
18 is the Company's -- was asked to provide their cost
19 of service study using four customer classes as
20 opposed -- residential classes as opposed to two
21 customer classes.

22 And during the cross-examination, would

1 you accept, subject to check, that Mr. Heintz did
2 confirm that, in fact, this is a ComEd-presented
3 document? This was provided by ComEd. This was
4 not prepared by Mr. Rubin. Would you accept that,
5 subject to check?

6 **A.** Yes.

7 **Q.** And if you -- again, this is a copy of a
8 portion of the cost of service study that shows the
9 existing four residential classes using the
10 existing cost of service numbers that are in the
11 present -- the study presented in this docket.

12 If you turn to Page 11 of this document,
13 on Line 249, it shows the total cost of service for
14 each customer class under ComEd's proposed rates;
15 is that correct?

16 **A.** Before -- yes, it's marked total cost of
17 service, revenue-related distributed.

18 **Q.** And is it correct that it shows that the
19 total cost of service for the single-family heating
20 class to be \$20,400,489?

21 **A.** Yes.

22 **MR. ROONEY:** I just object at this point. I'm

1 not sure there's been a foundation laid that
2 Mr. Alongi is aware of this document.

3 I mean, I know it's presented by ComEd,
4 but it was also asked of Mr. Heintz. And I wasn't
5 here for Mr. Heintz's cross-examination. I don't
6 recall. So I don't know if the witness is familiar
7 with this document or not. While it's been
8 submitted by ComEd, I don't know if Mr. Alongi was
9 the one who prepared it.

10 BY MS. LUSSON:

11 Q. Mr. Alongi, are you familiar with this
12 document and the data that was provided to
13 Mr. Rubin?

14 A. No. The embedded cost of service study was
15 sponsored by Mr. Heintz.

16 Q. Okay. Mr. Alongi, is it true that ComEd's
17 cost of service includes all aspects of the
18 Company's proposed revenue requirement, including
19 ComEd's proposed rate of return on investment?

20 A. That's my general understanding, yes.

21 Q. Mr. Alongi, are you familiar with the
22 Company's E-schedules which provide jurisdictional

1 operating revenue under current rates?

2 **A.** Yes.

3 MS. LUSSON: I'll show you what I'm marking as
4 AG Cross Exhibit 22, I believe.

5 (Whereupon, AG Cross
6 Exhibit No. 22 was
7 marked for identification
8 as of this date.)

9 BY MS. LUSSON:

10 **Q.** And AG Cross Exhibit 22 is a copy of part
11 of the Company's Part 285 filing. Schedule E-5-A
12 reflects the jurisdictional operating revenue under
13 current rates; is that correct?

14 **A.** Correct.

15 **Q.** And is it correct that under -- looking at
16 Page 1, that single family with electric space heat
17 indicates that the total revenues collected from
18 that class are \$20,420,616?

19 **A.** Under current rates, yes.

20 **Q.** And for multifamily with electric space
21 heat under current rates, the amount collected is
22 49,453,284?

1 **A.** That's correct.

2 **Q.** We're through with that exhibit.

3 Would you agree, Mr. Alongi, that an
4 important method in evaluating the fairness of a
5 proposed rate design within a rate class is to
6 conduct a customer impact analysis?

7 **A.** Yes. We've provided some bill impact
8 analyses in my testimony.

9 **Q.** And in developing your proposed rate design
10 prior to filing the case, did you analyze the
11 effect of the proposed residential rate design on
12 customers' actual annual bills?

13 **A.** We have a Schedule E-9 that determines the
14 bill impact by delivery class. And for purposes of
15 reflecting the impacts to the customer classes that
16 were being consolidated, the E-9 schedule includes
17 the impact for those classes as well.

18 **Q.** And when you were looking at the impact on
19 classes, did you look at a comparison of the rate
20 impact on a typical or average customer or did you
21 examine the effect of the proposed ComEd rate
22 design over a wide range of usage characteristics

1 such as evaluating customers with extremes on
2 either end, high or low, as well as customers with
3 average usage patterns?

4 **A.** Yes.

5 **Q.** You did both extremes?

6 **A.** We did analyses of customers at the -- what
7 we call the 80 percentile level where you can
8 characterize those as high-use customers, and we
9 also calculated impacts for customers at the 20
10 percentile level, which we characterize as low-use
11 customers.

12 **Q.** Okay. And did you do that for each of the
13 four subclasses?

14 MR. ROONEY: I just --

15 MS. LUSSON: Again --

16 MR. ROONEY: -- for correction, four classes.

17 MS. LUSSON: -- yes, I understand that there's a
18 disagreement about the reference point.

19 BY MS. LUSSON:

20 **Q.** And when you mean -- when I state
21 subclasses, I'm referring to single-family
22 space-heating customers, single-family

1 nonspace-heating, multifamily space-heating,
2 multifamily nonspace-heating.

3 **A.** Yes.

4 **Q.** Okay. And, finally, looking at Page 12 of
5 your rebuttal testimony.

6 JUDGE SAINSOT: You better state for the record
7 which --

8 MS. LUSSON: Oh, rate design.

9 JUDGE SAINSOT: He's got a lot of testimony.

10 MS. LUSSON: Oh, yes. That's true. That would
11 be, I believe, Exhibit 49.

12 THE WITNESS: What page?

13 BY MS. LUSSON:

14 **Q.** Page 12.

15 **A.** Okay.

16 **Q.** At Lines 267 through 271, you reference
17 Rider PE, purchased electricity.

18 **A.** Yes.

19 **Q.** You see that there?

20 **A.** Hm-hmm.

21 **Q.** Now, would you agree that that rider
22 affects supply charges, not distribution charges?

1 **A.** That is correct.

2 MS. LUSSON: Thank you, Mr. Alongi.

3 JUDGE DOLAN: Thank you.

4 JUDGE SAINSOT: Mr. Boehm?

5 MS. LUSSON: Oh, I would also move for the

6 admission of AG Cross Exhibit 22, which is the

7 E-schedules.

8 JUDGE SAINSOT: Any objection?

9 MR. ROONEY: None.

10 JUDGE SAINSOT: Okay. Hearing none, your motion

11 is granted, and AG Cross Exhibit 22 is -- on my

12 desk somewhere.

13 (Whereupon, AG/CUB Cross

14 Exhibit No. 22 was

15 admitted into evidence as

16 of this date.)

17 JUDGE DOLAN: Mr. Robertson, are you looking to

18 go?

19 MR. ROBERTSON: That'd be fine.

20 JUDGE SAINSOT: Okay.

21 JUDGE DOLAN: Mr. Alongi, you doing okay? You

22 want a quick break or...

1 THE WITNESS: I'm fine.

2 JUDGE DOLAN: Okay.

3 THE WITNESS: Am I speaking loud enough for you?

4 JUDGE SAINSBOT: Well, nobody in Springfield has

5 complained. That's a good sign.

6 THE WITNESS: Okay.

7 CROSS-EXAMINATION

8 BY

9 MR. ROBERTSON:

10 Q. Good morning, Mr. Alongi. My name is Eric

11 Robertson. I represent the Illinois Industrial

12 Energy Consumers.

13 A. Good morning, Mr. Robertson. How are you?

14 Q. I'm fine.

15 Now, it is my understanding that ComEd's

16 proposed rate design is now presented in ComEd's

17 Surrebuttal Exhibit 73.1; is that correct?

18 A. That's correct.

19 Q. And the rate design presented in ComEd

20 Exhibit 73.1 is now based on the ECOS study

21 presented by Mr. Heintz in ComEd Surrebuttal

22 Exhibit 75.1; is that correct?

1 **A.** That's correct.

2 **Q.** Now, would you agree that in its final
3 order in Docket 08-0532, the rate design
4 investigation order, the Commission directed ComEd
5 to allocate the cost of transformers where the
6 voltage exiting the transformer is secondary
7 voltage as a secondary system cost?

8 **A.** Yes.

9 **Q.** Now, can you refer to your surrebuttal
10 testimony, ComEd Exhibit 73.1, Page 3, Lines 54 to
11 56. There, you state, ComEd's proposed rate design
12 in ComEd Exhibit 73.1 appropriately incorporates
13 the results of ComEd's analysis of primary and
14 secondary costs and should be approved; is that
15 correct?

16 **A.** Yes.

17 **Q.** Is it correct that you performed ComEd's
18 primary and secondary analysis directly or that it
19 was performed under your supervision?

20 **A.** That's correct.

21 **Q.** You agree that within ComEd's
22 primary/secondary analysis, distribution costs are

1 recorded in the following accounts -- strike that.

2 Do you agree that within ComEd's
3 primary/secondary analysis, distribution costs
4 recorded in FERC Accounts 364, poles and towers;
5 365, overhead conductors and devices; 366,
6 underground conduit; 367, underground conduit and
7 devices; and 368, distribution line transformers,
8 are, in fact, separated into three categories?

9 A. In ComEd's --

10 Q. In the context of your primary/secondary
11 analysis.

12 A. I guess I'm trying to remember if, in the
13 proposed, we separated by primary and secondary,
14 and then the exemplars, we separated by primary --
15 or secondary, primary and shared.

16 Q. Maybe I can help you out.

17 A. Yeah, please do.

18 Q. You want to take a look at your
19 supplemental testimony in Exhibit 21.5 attached
20 thereto. Take a look at Page 9 in the table that's
21 shown there.

22 JUDGE SAINSOT: 21.5 at Page 9?

1 MR. ROBERTSON: That's correct.

2 JUDGE SAINSOT: Thank you.

3 THE WITNESS: Okay. Yeah, that refreshes my
4 memory.

5 BY MR. ROBERTSON:

6 Q. Okay.

7 A. Thank you.

8 Q. And those categories generally are cost
9 related to the provisions of service to primary
10 customers. That's one. Two, costs relating to the
11 provision of service to secondary customers; and
12 three, costs associated with shared facilities?

13 A. Yes.

14 Q. Do you agree with those descriptions?

15 A. Yes.

16 Q. Now, does your rate design presented in
17 ComEd Exhibit 73.1 determine separate primary and
18 secondary charges?

19 A. No, the primary/secondary analysis was
20 incorporated into the ECOS and reflected in the
21 charges to the delivery classes.

22 Q. And --

1 **A.** If I might state, not unlike the other
2 tariffs.

3 **Q.** The results of your primary/secondary
4 analysis as illustrated on 21.5 were incorporated
5 into the ECOS study presented in 75.1?
6 Mr. Heintz's surrebuttal ECOS study?

7 **A.** I think it was 75.2 for the exemplar.

8 **Q.** Okay. So they were not incorporated into
9 the cost study presented in 75.1?

10 **A.** Let me just take a look at another exhibit.

11 In 75.1, the results of ComEd's
12 primary/secondary analysis from ComEd Exhibit 16.5,
13 I believe, were used --

14 **Q.** Okay.

15 **A.** -- which separates costs into primary and
16 secondary.

17 **Q.** So the results of the primary/secondary
18 analysis that you performed in Exhibit 21.5 are not
19 reflected in Mr. Heintz's cost of service study
20 presented in Exhibit 75.1?

21 **A.** I believe that is correct.

22 **Q.** And that would mean the rate design that is

1 set forth in Exhibit 73.1 would not reflect the
2 primary/secondary analysis that you conducted in
3 your supplemental testimony in ComEd Exhibit 21.5;
4 is that correct?

5 A. That's correct.

6 Q. So that would mean that ComEd Exhibit 75.1
7 does not functionally separate primary and
8 secondary line transformer costs; is that correct?

9 A. I'd have to remember, but I thought we
10 allocated the secondary line transformers in our
11 initial study to secondary.

12 Q. Do you have a copy of Mr. Heintz's cost of
13 service study handy?

14 A. No.

15 MR. GOWER: Which cost of service are you
16 referencing? 75.1?

17 MR. ROBERTSON: 75.1.

18 THE WITNESS: Yes.

19 BY MR. ROBERTSON:

20 Q. Thank you.

21 I've shown you to help you refresh your
22 recollection Schedule 1-A from Mr. Heintz's cost of

1 service study, ComEd Exhibit 75.1.

2 Do you recognize that schedule?

3 A. I have to be quite frank. I didn't review
4 Mr. Heintz's schedules. But what I --

5 MR. ROONEY: Mr. Robertson?

6 MR. ROBERTSON: Yes.

7 MR. ROONEY: I don't know if you gave me this on
8 accident. There was a lot of highlighted --

9 MR. ROBERTSON: It'll help you find the numbers.

10 MR. ROONEY: Thank you.

11 BY MR. ROBERTSON:

12 Q. Would you be willing to accept, subject to
13 check, that -- looking at Page 2 of 21 of
14 Schedule 1-A of ComEd Exhibit 75.1, the column
15 entitled Line Transformers, and Line 27 -- Lines 21
16 and 27, that Mr. Heintz used as his number for line
17 transformers the same dollar value -- I think it's
18 within \$2 -- that you used in your
19 primary/secondary analysis in Exhibit 22.5?

20 A. 21.5?

21 Q. 21.5. Thank you.

22 A. There's a difference of \$2, but yes.

1 Q. Okay. And does it appear that this study
2 functionally separates primary and secondary
3 transformer costs?

4 A. Mr. Heintz's study?

5 Q. Yes.

6 A. I'm not familiar enough with the workings
7 of the ECOS to comment.

8 MR. ROONEY: Judge, can we go off the record for
9 a moment?

10 JUDGE DOLAN: Sure.

11 (Discussion off the record.)

12 MR. ROBERTSON: I think what I'd like to do,
13 based on Mr. Rooney's invitation, is to come back
14 to this point and go ahead and go through the rest
15 of my cross, so I can find what I'm looking for;
16 and then if you'll indulge me, if we could take a
17 break maybe for lunch, I can find what I was
18 looking for in regards to this particular issue.

19 BY MR. ROBERTSON:

20 Q. Mr. Alongi, does ComEd serve secondary
21 customers with three-phase service?

22 A. Some.

1 **Q.** Now, in ComEd Cross Exhibit 11, the Company
2 put into evidence an IIEC response to ComEd
3 Exhibit -- or ComEd Data Request 3.01.

4 Are you familiar that exhibit or that
5 data response?

6 **A.** It's a relatively recent one, I believe. I
7 am familiar with it. I don't have it in front of
8 me, but I think I know what you're talking about.

9 **Q.** I'll give you a copy.

10 Now, in that data request, ComEd
11 presented a diagram of a representative
12 distribution system consisting of three-phase
13 mainstem -- on a three-phase mainstem circuit, a
14 three-phase feeder circuit and a single-phase
15 feeder circuit; is that correct?

16 **A.** I would describe the -- what you described
17 as feeder circuits as taps.

18 **Q.** All right.

19 **A.** Or I think Mr. Stowe describes them as
20 laterals.

21 **Q.** All right. Referring to this diagram, do
22 you agree that Customer B is the only primary

1 voltage customer shown?

2 **A.** In this diagram, that's correct.

3 **Q.** If Customer B was removed from the
4 distribution system illustrated in the diagram,
5 would the three-phase circuits shown on the diagram
6 still be required to serve the remaining secondary
7 voltage customers?

8 I'm specifically referring to the black
9 mainstem and red feeder circuits.

10 **A.** As illustrated in this diagram, that would
11 be correct.

12 **Q.** Is this because some of the secondary
13 customers require three-phase service?

14 **A.** Yes.

15 **Q.** You agree that the three-phase service is
16 an end-use requirement of both primary and
17 secondary customers?

18 **A.** As is single phase, yes.

19 **Q.** If ComEd had a system that consisted of
20 only single-phase customers served at secondary
21 voltage, would it be likely to serve all of its
22 customers via a network consisting exclusively of

1 single-phase circuits?

2 **A.** It's likely that we would use three-phase
3 circuits and balance the load on the three single
4 phases.

5 **Q.** Now, has ComEd presented any study or
6 analysis in this case to determine the additional
7 expense, if any, it incurs to build and maintain
8 its three-phase system to serve three-phase
9 customers versus a system based on single-phase
10 circuits only?

11 **A.** You'll have to repeat that, if you would.

12 MR. ROBERTSON: Would you read it back for him,
13 please.

14 (Record read as requested.)

15 THE WITNESS: No.

16 BY MR. ROBERTSON:

17 **Q.** Do you -- do you agree that there are 936
18 primary voltage customers in the new or proposed
19 primary voltage delivery class?

20 **A.** Yes. That's the results of our efforts to
21 produce the supplemental direct testimony.

22 **Q.** Do you agree that only eight of these

1 customers are served by a single-phase primary
2 distribution facility circuit -- feeder circuits?

3 **A.** I agree that eight of those customers
4 receive single-phase primary service at a primary
5 voltage, but other primary voltage customers
6 receive single-phase service at other points of
7 service, too.

8 **Q.** Is it correct that of the 936 customers,
9 ComEd has identified 26 that have single-phase
10 primary voltage meters?

11 **A.** All 936 have primary voltage meters.

12 **Q.** Single-phase primary voltage meters?

13 **A.** Oh, single phase? I think the number was
14 around 26, yes.

15 **Q.** Do you agree with the statement that ComEd
16 performed a review of meters serving the 936
17 accounts eligible for exemplar primary voltage
18 delivery class?

19 **A.** Yes, we had to.

20 **Q.** And do you agree that ComEd identified 26
21 accounts with 28 meters that are single-phase
22 meters with potential transformers used to measure

1 the usage at primary voltage?

2 A. That's correct.

3 Q. Do you agree that for 21 of those 26
4 accounts, the single-phase voltage meter is the
5 only meter on the account?

6 A. What was the number?

7 Q. 21 of those 26.

8 A. I believe that's what we provided in
9 response to data requests, yes.

10 Q. Would you agree that eight of those 21
11 received service from a circuit in a single-phase
12 configuration adjacent to the customer's property?

13 A. Yes. That would be like the blue circuit
14 in the diagram that you handed me in our response
15 to Data Request No. 3.01.

16 And, in fact, I know one of them, the
17 first one that we identified, was at the very end
18 of that blue single-phase tap illustrated in the
19 diagram.

20 Q. Now, looking at your surrebuttal testimony,
21 Page 21, Lines 462 to 468.

22 JUDGE SAINSOT: Mr. Robertson, it might be

1 helpful if you identified which surrebuttal.

2 MR. ROBERTSON: ComEd Exhibit 73.0.

3 JUDGE SAINSOT: Thank you.

4 MR. ROBERTSON: His rate design surrebuttal.

5 THE WITNESS: What page?

6 BY MR. ROBERTSON:

7 Q. 21.

8 Now, has ComEd's service territory ever
9 experienced such weather conditions that tens of
10 thousands or even hundreds of thousands of its
11 customers were without electricity for some period
12 of time?

13 A. I believe that's true.

14 Q. You agree that even during these times,
15 many hundreds of thousands of ComEd's customers
16 continue to receive electric service?

17 A. Yes.

18 Q. Would you agree then that while ComEd's
19 distribution system may be highly integrated, that
20 integration still allows portions of the
21 distribution system to operate independently of
22 each other?

1 **A.** With switching, that's correct. True.

2 **Q.** Now, at this location in your testimony,
3 you claim that the system is continuously being
4 reconfigured and upgraded.

5 **A.** Yes.

6 **Q.** Does ComEd ever reconfigure its
7 single-phase primary circuits to three-phase
8 circuits?

9 **A.** I think there are circumstances in which
10 that may occur.

11 **Q.** Does ComEd ever reconfigure its 12K primary
12 circuits to a higher primary voltage such as 34 kV?

13 Let me repeat the question because I
14 think I was thinking of K-Mart instead of
15 kilovolts.

16 Does ComEd ever reconsider its --
17 reconfigure its 12 kV primary circuit to a higher
18 primary voltage such as 34 kV?

19 **A.** Generally speaking, I think the Company
20 overbuilds 34 over 12, but there may be
21 circumstances where we had an existing 12 kV
22 circuit that was converted for whatever reason to

1 34.

2 Q. Does ComEd need to know which circuits are
3 going to be reconfigured well in advance of the
4 actual reconfiguration?

5 A. Under the emergency conditions that you
6 described earlier where there's bad weather, there
7 is -- there's no realistic forewarning other than
8 what the weathermen say.

9 Q. For those reconfigurations that are not
10 associated with emergency service, does ComEd
11 ordinarily need to know which circuits are to be
12 reconfigured in advance of the reconfiguration?

13 A. Reconfigurations are performed for a number
14 of purposes, including maintenance on the circuits
15 as well as load relief, and they're scheduled in
16 advance.

17 Q. The answer is "yes"?

18 A. Yes, but I don't know how far --

19 Q. I'm sorry.

20 A. I said yes, but I don't know how far in
21 advance they do it for relief of -- or I should say
22 maintenance on the circuits, length of days.

1 **Q.** And will ComEd need to know the voltage of
2 the existing circuit or circuits as well as the
3 voltage of the reconfigured circuits?

4 **A.** Yes.

5 **Q.** And will ComEd need to know this
6 information -- well, strike that.

7 And will ComEd need to know this
8 information in advance of the reconfiguration?

9 **A.** The voltage, is that the pending question,
10 the information that they need to know?

11 **Q.** Yes.

12 **A.** Yes.

13 **Q.** Now, would you also agree that ComEd will
14 need to know the number of phases of each circuit,
15 the circuit voltages, locations of disconnects,
16 which mainstem circuits supply which single-phase
17 and three-phase taps whenever it upgrades its
18 system or repairs the system for storm damage?

19 **A.** Yes, I think that's a fair consideration.
20 Sure.

21 **Q.** Now, do you agree that as a matter of
22 public safety, ComEd carefully and continuously

1 monitors the operating voltage of its distribution
2 system components?

3 **A.** Yes.

4 **Q.** Would you agree that ComEd also carefully
5 monitors its mainstem primary circuits, its bulk
6 distribution substations and even its lesser
7 capacity circuits in substations on a regular, if
8 not constant basis?

9 **A.** I guess I'm not sure what you mean by
10 "monitor."

11 I mean, we have meters that register the
12 load on the feeders, the load on the transformers.
13 If that's what you mean by monitor, I would agree.

14 **Q.** Would you agree that ComEd has information
15 about the operating voltage -- strike that.

16 Would you agree that ComEd has
17 information about operating voltage, number of
18 phases, circuit capability, circuit connectivity
19 and load flow on its system?

20 **A.** I agree we have a system of maps and a --
21 again, measurement at the substations on the
22 loading of feeders and transformers in those

1 substations, if that's, again, what you mean.

2 Q. And those things are being monitored and
3 verified and updated on a continuing basis?

4 MR. ROONEY: Objection at this point.

5 Mr. Alongi's testimony doesn't -- he
6 isn't here presenting testimony on system
7 operations. He's here presenting testimony on rate
8 design. And to the extent this is asking --

9 MR. ROBERTSON: Well --

10 JUDGE SAINSOT: Sustained, unless you can tie
11 that up somehow.

12 BY MR. ROBERTSON:

13 Q. Mr. Alongi, would you look at Exhibit 73.0,
14 your surrebuttal rate design testimony, Page 21 and
15 22?

16 A. Yes.

17 Q. And at Line 472 to 487, if I'm reading your
18 testimony correctly, you are describing the -- a
19 complex and controversial and multidimensional
20 analysis that would be necessitated by some of the
21 proposals made in this case; is that correct?

22 A. Yes. Yes.

1 **Q.** And that's an analysis of the Company's
2 distribution system?

3 **A.** That's correct.

4 **Q.** Can you repeat my -- let me go back. I
5 don't think he ever answered the question because
6 there was an objection. And if I repeat myself, I
7 apologize, Mr. Alongi.

8 Do you agree that ComEd has information
9 about operating voltage, number of phases, circuit
10 capability and circuit connectivity, load flow and
11 other information regarding its distribution system
12 and that that information exists and is
13 continuously being monitored, verified and updated?

14 **A.** To the extent that you're describing,
15 again, monitoring at the substations on feeder
16 loads and voltages and, to the extent that you're
17 describing how we update our maps of feeders, I
18 would agree.

19 If you're speaking of anything else, I'm
20 not sure what you mean.

21 **Q.** Well, don't you need to have this
22 information available to you in order to operate

1 and maintain your distribution system in a safe and
2 reliable manner?

3 MR. ROONEY: Objection. This goes beyond his
4 testimony.

5 MR. ROBERTSON: Wait.

6 MR. ROONEY: To the extent we're talking about
7 what information's necessary to operate the system,
8 his testimony here on those lines that were
9 identified is speaking of an analysis from a cost
10 allocation standpoint, and I think he was
11 identifying, in response to Mr. Stowe's testimony,
12 in part, a comparison of analyses.

13 JUDGE SAINSOT: So what does that mean,
14 Mr. Rooney? I'm kind of unclear.

15 MR. ROONEY: I guess the question is going to
16 the -- as I understood the question, it's going to
17 what information the Company needs to operate its
18 system as opposed to what information Mr. Alongi's
19 speaking to with regards to conducting an analysis
20 of the different systems from a cost allocation
21 perspective.

22 MR. ROBERTSON: My turn?

1 JUDGE DOLAN: Yeah.

2 MR. ROBERTSON: Yeah. The witness has talked
3 about the difficulty in determining through a
4 complex analysis whether or not certain proposals
5 made by parties in this case can be implemented.

6 I believe some of the same information
7 that we've talked about would be used in that
8 process, and the purpose of the cross is to
9 demonstrate that the Company has much of the
10 information they need to do some of that analysis.

11 And this witness also testified that he
12 has held a number of positions inside the Company
13 with regard to engineering, planning, district
14 supervisor of engineering and some other things
15 that would give him a working knowledge of the
16 Company's system and the information that's needed
17 to maintain it.

18 Now, I'm not going to ask him questions
19 about the operation. I'm just asking him whether
20 or not the information that we talked about in this
21 line of questioning is information that would be
22 useful in and necessary to the safe and reliable

1 operation of the Company's primary distribution
2 system.

3 JUDGE SAINSBOT: Okay. It's overruled.

4 If he knows.

5 THE WITNESS: Again, the Company maintains
6 mapping records in order to operate its system.
7 It -- you know, and if it's those types of mapping
8 records that you're speaking of, we have that
9 information in the form of maps.

10 BY MR. ROBERTSON:

11 Q. So you're saying except for a map, the
12 Company doesn't have any information on the
13 operating voltage, number of phases, circuit
14 capabilities, circuit connectivity or load flow for
15 its primary distribution system?

16 A. The maps will tell you the operating
17 voltage, the number of phases, the connectivity
18 between interconnected feeders.

19 I've kind of lost track of your question
20 now, but...

21 Q. You're saying all of that information will
22 be specified on the maps maintained by the Company

1 of its system; is that what you're saying?

2 **A.** Some of the information that you described
3 is maintained on the maps, but the loadings on
4 those feeders are not part of the mapping process.

5 **Q.** Are you saying that you can maintain the
6 system and have people go out and work on it
7 without knowing what the loads are on some of those
8 feeders?

9 **MR. ROONEY:** I just renew my objection here.

10 He's asking about what the Company needs
11 to know to maintain and operate its system,
12 which -- I believe that's what his question was.

13 **MR. ROBERTSON:** Obviously, this witness has the
14 capability of responding to the question because I
15 assume that that was part of his job responsibility
16 when he first went to work for the Company.

17 And if you look at his qualifications
18 that he describes in his direct testimony, he
19 describes in sufficient detail his ability to
20 answer these questions.

21 And, again, this goes more to the
22 presence of the information that the Company needs

1 to make this analysis and whether or not this
2 witness is aware that the Company has this
3 information in its possession.

4 MR. ROONEY: I think -- your Honor, we're not
5 discussing Mr. Alongi's qualifications. We're
6 discussing it within the context of the scope of
7 his testimony. And the question really is, is the
8 information necessary to conduct an analysis versus
9 the information necessary to operate and maintain
10 service on the system.

11 MR. ROBERTSON: Well, the witness testifies that
12 among the information he needs to have in order to
13 do this complex and controversial and
14 multidimensional analysis is which components are
15 operating at different primary voltages or are
16 shared component that support two or more primary
17 voltages.

18 JUDGE SAINSOT: It's overruled. He's entitled
19 to test Mr. Alongi's knowledge and background.

20 THE WITNESS: If this analysis that you're
21 describing is the analysis that's needed to segment
22 the system, the primary voltage system, into

1 smaller subsegments, there -- there certainly is
2 information that could be compiled, but, as I
3 described, it -- it's at least -- I'll say this:

4 The work that we performed to segment
5 the system into two parts, primary and secondary,
6 is going on two years of litigation and very
7 contentious arguments by several parties. Parties
8 in this case have asked us to segment it much
9 further. And I think in my surrebuttal testimony,
10 I said 39 subsegments; but I tried to duplicate
11 that and I could come up with at least 30
12 subsegments.

13 And it's my contention that conducting
14 such an analysis is a waste of resources and
15 litigation time and -- it's -- it's extremely
16 difficult to take information from maps and try to
17 allocate costs that have been depreciated over time
18 in accounts that don't lend themselves to
19 identifying all the different segments of the
20 system that these parties want us to segment it
21 into.

22 MR. ROBERTSON: I think I'm going to move to

1 strike the answer because I don't think there was a
2 question pending. He was responding to a comment
3 that I made to Mr. Rooney in our argument. Though,
4 to the best of my recollection --

5 MR. ROONEY: I think my objection was overruled
6 and the witness was asked to answer the question.

7 I think he did his best to answer the
8 question.

9 MR. ROBERTSON: Could you read the question back
10 for me, if you can find it?

11 (Record read as requested.)

12 MR. ROBERTSON: I think his answer went more
13 along the lines about why he didn't want to do the
14 analysis. And so I'll revise my objection to say
15 the answer is not responsive because he was not
16 responding to that specific question which was
17 objected to and overruled.

18 MR. ROONEY: I think Mr. Alongi was responding
19 to the question of whether or not the information
20 that Mr. Ericson (sic) was suggesting was available
21 could be used with regards to the analysis that is
22 conducted -- or being proposed to be conducted.

1 MR. ROBERTSON: That's -- that's not the
2 question that was specifically asked, I don't
3 think.

4 I asked him whether or not he maintained
5 this information.

6 JUDGE SAINSOT: Judge Dolan and I agree that the
7 answer that was given was not -- not responsive --
8 thank you, Judge Dolan -- to the question posed.
9 So your motion to strike is granted.

10 MR. ROBERTSON: Thank you.

11 BY MR. ROBERTSON:

12 Q. Now talk to you about rate design. We're
13 going to move on to a different subject.

14 A. Okay.

15 Q. Now, I want to talk to you about your
16 proposal for allocation of the revenue increase in
17 this case as compared to the IIEC proposal and the
18 Staff proposal, if I may.

19 And I assume that you are generally
20 familiar with both the IIEC and Staff proposal?

21 A. Probably a little more familiar with the
22 IIEC proposal.

1 **Q.** Now, would you agree that IIEC proposes to
2 increase class revenues by one-third of the
3 difference between current class revenues and class
4 revenues under the embedded cost of service study
5 approved by the Commission in this case?

6 **A.** For which classes?

7 **Q.** For the high voltage, extra large load and
8 railroad classes.

9 **A.** It was my understanding that Mr. Stevens
10 agreed with the four-step movement towards cost,
11 but I also understand he offered a different
12 proposal to cap the increases of any customer
13 classes at 150 percent of the system average
14 increase?

15 **Q.** I'm going to get to that.

16 So you don't know as you sit there
17 whether or not IIEC initially proposes to increase
18 class revenues by one-third of the difference
19 between current class revenues and class revenues
20 under the embedded cost of service study approved
21 by the Commission in this case as a first step?

22 **A.** I don't know that.

1 **Q.** Okay. Now, ComEd proposes to increase each
2 of the individual rate elements for the
3 nonresidential classes to 100 percent of the
4 embedded cost of service for that rate component
5 with one exception; is that correct?

6 **A.** Each of the nonresidential classes? Each
7 component?

8 **Q.** The individual rate elements -- I'll try it
9 again.

10 ComEd's --

11 **A.** I think I can answer your question --

12 **Q.** Okay.

13 **A.** -- if I understand it correctly.

14 Because ComEd's proposal is to move the
15 high voltage, extra large load and railroad classes
16 towards cost, the other nonresidential customer
17 classes have to absorb the under-recovery of the
18 cost from those three classes I just mentioned.

19 So the other nonresidential classes will
20 not be at a hundred percent of embedded cost. They
21 will be more.

22 JUDGE SAINSOT: Mr. Robertson, how much more do

1 you have?

2 MR. ROBERTSON: This is the last -- this is the
3 last line, your Honor.

4 BY MR. ROBERTSON:

5 Q. Referring to your direct testimony, ComEd
6 Exhibit 16.0, second revised, Pages 27 to 34, you
7 discuss the allocation of the revenue requirement
8 among the delivery classes and the various rate
9 components.

10 A. Could you give me a page again?

11 Q. Begins at Page 27.

12 A. Okay.

13 Q. Now, there, you -- if I'm -- my notes are
14 correct, you suggest that you use an equal
15 percentage of embedded cost, EPEC, method to
16 initially allocate revenue requirement among the
17 delivery service classes.

18 That's the nonresidential delivery
19 service classes; is that correct?

20 A. That's correct. That's what it says
21 beginning at Line 504.

22 Q. All right. And so you initially allocate

1 the revenue requirement among the delivery service
2 rate class -- nonresidential rate classes and the
3 various components of the rates for those classes;
4 is that correct?

5 A. Yes.

6 Q. So, first, you set each rate component for
7 each class at its equal percentage of corresponding
8 unitized embedded cost for that component for that
9 class?

10 A. As a first step.

11 Q. Okay. And the second step is that you
12 incorporate certain deviations from a pure EPC
13 (sic) rate design; is that correct?

14 A. That's correct.

15 Q. And you note that DCFs (sic) for --
16 distribution facilities charges for nonresidential
17 extra large load delivery classes, the railroad
18 delivery class and the high voltage class do not
19 recover their corresponding -- the corresponding
20 cost to serve those customers; is that correct?

21 A. That's correct.

22 Q. So you propose to move the DFC closer to

1 cost as measured by the cost of service study?

2 A. That is correct.

3 Q. And the cost you're talking about is the
4 distribution facility charge cost as measured in
5 the cost of service study?

6 A. That is correct.

7 Q. Now, as I understand it, the Staff takes
8 your approach and then moves the DFC an additional
9 33 percent towards the DFC cost of service as
10 measured by the cost of service study; is that
11 correct?

12 A. I know they take those classes closer to
13 cost by, I think, another 33 percent. I'm not sure
14 if it's done through the DFC, but I agree generally
15 with your comment.

16 Q. All right. Lastly, would you look at your
17 surrebuttal testimony, Exhibit 3.0, at Page 30,
18 Lines 665 to 666.

19 And here, you character- --

20 A. Could you give me the page again?

21 Q. Yeah.

22 A. Page 30.

1 **Q.** 665 to 666.

2 You characterize Mr. Stevens as
3 proposing a delay. Is it actually your
4 understanding that Mr. Stevens is proposing a
5 specific delay or is he simply saying that if ComEd
6 determines that it must manually bill customers and
7 this creates a significant burden, then a delay
8 would be acceptable?

9 **A.** If you're quoting Mr. Stevens' testimony, I
10 don't dispute that's what he said.

11 **Q.** Okay. At Line 671 of your testimony, your
12 surrebuttal testimony here, are you essentially
13 saying ComEd would rather manually bill, if
14 necessary, than phase in the change in order to
15 avoid manual billing?

16 **A.** Yes.

17 MR. ROBERTSON: Okay. That's it.

18 I did have one point -- you were absent
19 from the room, your Honor, I think -- that I wanted
20 to go back and look at a note about Mr. Heintz'
21 cost of service study.

22 And if we could take a -- if we need to

1 take a little break or a luncheon break, I can find
2 it. If I can't find it, then I'm -- my cross will
3 be over. If I do find it, I've got two questions
4 left that I need to ask him.

5 JUDGE DOLAN: I would say probably, at this
6 point, we probably should just break for lunch and
7 give everybody a chance to recharge.

8 MR. ROBERTSON: Thank you, Mr. Alongi.

9 JUDGE DOLAN: How about we'll be back at 1:30.

10 (Whereupon, a luncheon
11 recess was taken to resume
12 at 1:30 p.m.)

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1 (Whereupon, a brief

2 recess was taken.)

3 BY MR. ROBERTSON:

4 Q. Mr. Alongi, would you accept, subject to
5 check, that Schedule 2A of ComEd Exhibit 7.5.1
6 shows the allocation of the cost of ComEd's system
7 to the various delivery service rate classes?

8 A. Yes.

9 Q. Would you accept that at Line 83 on Pages 5
10 of 16 and Line 83 on Pages 6 of 16 of Schedule 2A
11 shows the allocation of the embedded cost of line
12 transformer to the various rate classes?

13 I can show it to you.

14 A. Yes.

15 Q. Do you agree that that schedule shows that
16 the cost of line transformers are allocated to each
17 of the delivery service rate classes with the
18 exception of the railroad class?

19 A. Yes.

20 Q. And do you agree that there are certain
21 nonresidential rate classes that include both
22 primary and secondary customers?

1 **A.** Under the current class structure, that's
2 correct.

3 **Q.** This study, which is from Exhibit 75.1, is
4 the Company's proposed cost-of-service study in
5 this case; is that correct?

6 **A.** That's correct.

7 **Q.** And would you agree with me that the
8 allocation shows that there has been no -- would
9 you agree that line transformers in this study have
10 therefore been allocated to both, the cost of line
11 transformers has been allocated to both primary and
12 secondary voltage customers?

13 **A.** That's correct. And I would add that
14 ComEd's current rate design includes a rider that
15 allows a credit for customer-owned transformers. So
16 customers that don't use ComEd transformers don't
17 pay for them.

18 MR. ROBERTSON: I have nothing further.

19 JUDGE DOLAN: Thank you.

20 JUDGE SAINSOT: Mr. Boehm, please.

21

22

1 CROSS EXAMINATION

2 BY

3 MR. BOEHM:

4 Q. Good afternoon, Mr. Alongi. My name is
5 Kurt Boehm. I represent the Kroger Company.

6 A. Good afternoon.

7 Q. I have an exhibit that I would like to have
8 marked as Kroger Cross-Examination Exhibit 1.

9 (Whereupon, Kroger Cross-Exhibit
10 No. 1 was marked for
11 identification.)

12 BY MR. BOEHM:

13 Q. Do you recognize this document, Mr. Alongi?

14 A. Yes, I do.

15 Q. Could you please identify this document for
16 the record.

17 A. This is ComEd's response to Data Request
18 No. IIEC 9.01, supplemental response.

19 Q. Did you help to prepare this document?

20 A. It was prepared under my direction.

21 Q. This is a response to some data requests
22 filed by IIEC in which they asked for the Company

1 to respond to the direct testimony of their
2 witness,
3 Mr. Stowe, in which he makes some statements
4 regarding improper allocation of certain
5 single-phase primary circuits; is that correct?

6 **A.** Mr. Stowe's statements were, yeah,
7 single-phase primary circuits are almost never used
8 to serve primary customers, and are rarely, if
9 ever, used to serve primary customers. And we had
10 provided some information to demonstrate that
11 single-phased circuits are used to serve primary
12 voltage customers at the primary voltage.

13 **Q.** At the second line of your supplemental
14 response, you identify 28 meters that are
15 single-phased meters with potential transformers
16 used to measure the usage of primary voltage.

17 Are these the same 28 meters that you
18 referenced in your response to Mr. Robertson's
19 cross-examination just a few moments ago?

20 **A.** Yes.

21 **Q.** Thank you.

22 MR. BOEHM: Kroger moves for the admission of

1 this exhibit to the record.

2 JUDGE SAINSOT: Any objection?

3 (No response.)

4 JUDGE SAINSOT: Hearing none, your motion is
5 granted, Counsel.

6 BY MR. BOEHM:

7 Q. I want to talk to you about the exemplary
8 design of rate proposal.

9 In the exemplary design, the Company
10 would differentiate between primary and secondary
11 voltage; is that correct?

12 A. The rates that would be charged to
13 customers that receive service at a primary voltage
14 would be different rates than those customers
15 receiving service at a secondary voltage, so that's
16 correct.

17 Q. Would this differentiation be -- according
18 to your proposal, would it be at 100 percent of the
19 cost difference between secondary and primary?

20 A. I'm not sure I understand your question.

21 Q. In other words, would you be moving to
22 differentiated rates between primary and secondary,

1 would you be moving entirely to that difference in
2 rates to reflect that difference in rates or would
3 you phase it in?

4 **A.** Well, for the extra-large load class, the
5 high-voltage delivery class and the railroad class,
6 we are following a movement towards costs in steps
7 that the Commission outlined in their last order in
8 ComEd's last rate case; although, we also proposed
9 to elongate the movement of those costs for the
10 railroad class.

11 So in that respect, it is a movement
12 towards cost-based rates for primary and secondary
13 for those customer classes. And other customer
14 classes that are bearing the burden of those
15 subsidies will be moved in time to their cost-based
16 rates as well. If they're overpaying currently,
17 they will be moved downward towards their costs.

18 **Q.** I just want to make sure I understand you
19 correctly.

20 So if the Commission approves the
21 exemplary rates, the secondary customers will
22 experience a rate increase as a result of this

1 decision to reflect the difference between
2 secondary and primary costs; is that correct?

3 **A.** I think as a general matter, there are more
4 costs being borne by the secondary customers as a
5 result of the separation of primary and secondary
6 voltage costs within the Company study, but I can't
7 say class by class, if that's true, because of
8 other changes in the rate design to accommodate the
9 phase into cost-based rates for the other three
10 classes that I mentioned.

11 **Q.** If you just look at the one item, if you
12 take out the equation phase of the cost-based rates
13 and you just look at the one item of the secondary
14 and primary rates being differentiated, would
15 secondary customers receive a rate increase as a
16 result of this move?

17 **A.** I think with all things being equal, that
18 would be a true statement.

19 **Q.** Is this movement toward a differentiation
20 between secondary and primary? Does it go
21 100 percent toward costs just of that single issue?

22 **A.** The analysis that we conducted and provided

1 for an input into the better cost-of-service study
2 allocated all costs that were identified as
3 secondary to secondary and all costs that were
4 identified as primary to primary.

5 So, to that extent, it would be taking
6 the full costs, but the output of the embedded
7 cost-of-service study is an input to the rate
8 design, and the rate design includes these
9 modifications to move certain classes towards
10 cost-based rates over time.

11 **Q.** I understand that there's two parts of it.
12 So I'll ask you about the second half.

13 So the answer is, yes, on the first
14 question; is that correct?

15 **A.** Yes.

16 **Q.** And the second part that you referenced was
17 the movement toward cost of service, and that
18 refers to a subsidy paid to the extra-large load,
19 very large load and railroad classes; is that
20 correct?

21 **A.** It's the high-voltage class, the
22 extra-large load and railroad class.

1 **Q.** And that subsidy is being phased out,
2 correct?

3 **A.** Over time, over multiple rate cases.

4 **Q.** So in other words, one cost issue is being
5 phased out sort of gradually, and that is the
6 subsidy to the classes that you just referenced,
7 but the other sort of inequity in rates, if you
8 want to call it that, which is the
9 secondary/primary split, you went 100 percent
10 toward rectifying that inequity in your proposal
11 for the exemplary rates; is that correct?

12 **A.** That is correct.

13 **MR. BOEHM:** That's all the questions I have.
14 Thank you.

15 **JUDGE DOLAN:** Mr. Balough?

16 **MR. BALOUGH:** Thank you.

17 **MR. ROBERTSON:** Before Mr. Balough starts, I
18 would like to put in as part of the
19 cross-examination of this witness a copy of his
20 response to IIEC Data Request 12.04 for the purpose
21 of having the table that's shown on there in the
22 record.

1 JUDGE SAINSOT: Any objection?

2 MR. ROONEY: No objection.

3 JUDGE SAINSOT: What do you call that?

4 MR. ROBERTSON: IIEC Cross-Exhibit 4, I think.

5 JUDGE SAINSOT: I will just take it down to the
6 Xerox machine.

7 For the record, hearing no objection to
8 Mr. Robertson's motion, IIEC Cross-Exhibit 4 is
9 entered into evidence.

10 (Whereupon, IIEC Cross-Exhibit
11 No. 4 was admitted into
12 evidence.)

13 CROSS EXAMINATION

14 BY

15 MR. BALOUGH:

16 Q. Good afternoon. As you know, I'm Richard
17 Balough, and I represent the Chicago Transit
18 Authority.

19 A. Good afternoon, Mr. Balough.

20 Q. You're aware in this case that the Chicago
21 Transit Authority and Metra are requesting a more
22 specific study be conducted to determine what

1 facilities serve the railroad class?

2 **A.** I am aware of that, and I am opposed to
3 that.

4 **Q.** That was my second question, whether you
5 were opposed to it. All right.

6 Now, in the last rate case, the
7 Commission ordered a study, kind of a joint study
8 between ComEd and two railroad classes to do a load
9 flow concerning the traction power substations; is
10 that correct?

11 **A.** That's correct.

12 **Q.** And that study was conducted prior to this
13 case being initiated; is that correct?

14 **A.** That's correct, and the results of that
15 study are Exhibit 16.4.

16 **Q.** And as part of that study, the participant
17 to the study had to identify the specific circuits
18 that were used to serve the traction power
19 substations; is that correct?

20 **A.** That's correct. In order to conduct the
21 power flow, you need to know the circuits involved,
22 the impedance of those circuits, the load on those

1 circuits and where that load is located.

2 Q. So ComEd has specific information then
3 concerning those circuits that are serving the
4 railroad class?

5 A. For planning purposes, yes.

6 MR. BALOUGH: That's all the questions I have.
7 Thank you.

8 JUDGE DOLAN: And REACT?

9 CROSS EXAMINATION

10 BY

11 MR. TOWNSEND:

12 Q. Good afternoon, Mr. Alongi.

13 A. Good afternoon, Mr. Townsend, and,
14 Mr. Tierney.

15 Q. Chris Townsend on behalf of REACT, the
16 Coalition to Request Equitable Allocation of Costs
17 Together.

18 You know that REACT is made up of some
19 of the largest commercial industrial and municipal
20 entities in Northern Illinois along with retail
21 electric suppliers that are interested in
22 potentially serving residential customers, correct?

1 **A.** I've taken a look at some information on
2 the Internet to see how large these companies
3 actually are, and I found that half of them employ
4 less than 525 employees, so I'm not sure by what
5 measure you're measuring your clients, but I don't
6 know --

7 **Q.** Would you agree that the City of Chicago --

8 MR. ROONEY: Excuse me. He didn't finish his
9 answer.

10 MR. TOWNSEND: I'm sorry. Go ahead.

11 THE WITNESS: Again, I don't know by what measure
12 you're measuring the size of these employers, but I
13 can also say that two of them are in the small load
14 class, one is in very large load class, four are in
15 the extra-large load class.

16 MR. ROONEY: Mr. Alongi, if you could speak up a
17 little louder. Thank you.

18 BY MR. TOWNSEND:

19 **Q.** Would you agree that the City of Chicago
20 alone employs over 30,000 employees?

21 **A.** I couldn't find that on the Internet, but I
22 accept that, subject to check.

1 Q. When did you perform that analysis?

2 A. In preparation for this cross-examination.

3 Q. When was that?

4 A. Last week.

5 Q. And did you share that with any of the

6 parties as preparation you had done as a work

7 paper? Did you provide that to any other parties?

8 A. No.

9 Q. Your position at ComEd is manager of retail

10 rates, correct?

11 A. That's correct.

12 Q. And in that role, your primary duties are

13 plan and direct and development and implementation

14 of ComEd's retail tariffs, right?

15 A. That's correct.

16 Q. Those duties include planning and direction

17 of ComEd's retail rate design, activities to

18 support the cost-of-service study and retail rate

19 administration, right?

20 A. That's correct.

21 Q. You also direct the preparation of the

22 necessary filings of such tariffs with the

1 Commission, correct?

2 **A.** That's all in my direct testimony, yes.

3 **Q.** Were you aware that on certain occasions

4 other ComEd witnesses have deferred to you on

5 issues of rate design?

6 **A.** Vaguely aware, yes.

7 **Q.** For example, you know that Dr. Hemphill

8 deferred to you regarding questions about the

9 standard service to customers in the extra-large

10 load customer class, right?

11 **A.** That may be true.

12 **Q.** Are you aware that he deferred to you about

13 standard service to customers in the

14 over-10-megawatt high-voltage class?

15 **A.** That, too, may be true.

16 **Q.** You weren't informed about that in

17 preparation for your testimony here today?

18 **A.** No.

19 **Q.** Are you aware that Mr. Guerra indicated

20 that he was unable to answer questions about the

21 rate impacts for the over-10-megawatt customers?

22 **A.** I'm not aware of that, no.

1 **Q.** You're familiar with the final order in
2 Docket 07-0566, the 2007 ComEd rate case, right?

3 **A.** When that order was issued, I reviewed it
4 in order to help prepare the tariffs, yes.

5 **Q.** You were actually involved in that case,
6 weren't you?

7 **A.** Yes.

8 **Q.** You testified regarding the issue of
9 primary/secondary split in that proceeding,
10 correct?

11 **A.** I think that was the subject of the
12 testimony in that case, that's kind of genesis of
13 the primary/secondary analysis that was performed
14 in the what we called rate design investigation.

15 MR. TOWNSEND: Your Honors, may I approach?

16 JUDGE SAINSOT: Yes, you may.

17 MR. TOWNSEND: I will hand you what is being
18 marked as REACT Cross-Exhibit No. 22.

19 (Whereupon, REACT
20 Cross-Exhibit No. 22 was
21 marked for identification.)
22

1 BY MR. TOWNSEND:

2 Q. Is that an excerpt of your surrebuttal
3 testimony in that case?

4 A. Yes, it appears to be ComEd Exhibit 45 in
5 Docket 07-0566.

6 Q. And in particular, it's Page 4 of that
7 surrebuttal testimony, correct?

8 A. That's correct.

9 Q. And at Lines 77 to 82, you testified that:

10 To the extent that a more refined
11 identification and assignment of primary
12 and secondary distribution facilities
13 costs might change the total cost allocation
14 to customers in the extra-large load,
15 high-voltage or railroad delivery classes,
16 it is ComEd's position that its mitigation
17 proposal presented in the rebuttal phase
18 of this proceeding addresses such a
19 potential result while providing for its
20 main purpose, which is a phased
21 transition to fully cost based
22 delivery rates for all delivery classes.

1 Correct?

2 **A.** Other than it says "phased in transition,"
3 yes, that's what it says.

4 **Q.** You would agree that setting rates based on
5 cost of assets used to serve a customer class is a
6 different issue from rate mitigation, correct?

7 **A.** A study to allocate costs based on assets
8 used by classes would be what I call a bottoms-up
9 analysis, which is not called for by the Illinois
10 Administrative Code 285.5110.

11 **Q.** Well, a bottoms-up analysis is different
12 than analyzing rate mitigation, right?

13 **A.** Completely different.

14 **Q.** Do you have before you what's been
15 previously marked as REACT Cross-Exhibit 13,
16 excerpts of the final order in the 2007 ComEd rate
17 case?

18 **A.** I may have something, but if you can bring
19 it over.

20 MR. TOWNSEND: Do you need one?

21 MR. ROONEY: Please.

22 MR. TOWNSEND: (Tendering document.)

1 MR. ROONEY: Thank you.

2 JUDGE SAINSOT: What is REACT Exhibit 13?

3 MR. TOWNSEND: It's excerpts of the 2007 ComEd
4 rate case final order.

5 JUDGE SAINSOT: Is this entered into evidence?

6 MR. TOWNSEND: It wasn't entered. Again, I
7 didn't think it was necessary to actually enter the
8 text.

9 JUDGE SAINSOT: That's fine.

10 BY MR. TOWNSEND:

11 Q. I direct your attention to the bottom of
12 Page 206 of that 2007 order.

13 At the bottom of Page 206, the
14 Commission states that ComEd contends their
15 primary/secondary cost differentiation is neither
16 practical nor necessary.

17 ComEd says that it is not required to
18 record its gross planned or cumulated depreciation
19 on its books in a manner that would facilitate
20 changing the ECOSS to recognize the
21 primary/secondary distinction, correct?

22 A. That's what the order says.

1 **Q.** And the Commission also noted -- and were
2 you aware that the Commission noted that ComEd
3 admits that the assignment of primary and secondary
4 distribution costs would likely reduce the total
5 cost allocation to customers in extra-large load,
6 high-voltage and railroad delivery classes?

7 **A.** I recall a statement like that in the
8 order.

9 **Q.** And the Commission concluded that that
10 overlooks the Commission's explicit policy
11 objective of assigning costs where they belong,
12 right?

13 **A.** That's what this says on Page 206, yes.

14 **Q.** And you'd agree with the policy objective
15 of assigning costs where they belong, correct?

16 **A.** Yes.

17 **Q.** And you agree that costs should be
18 allocated as precisely as reasonably possible to
19 the group of customers who benefit from particular
20 services provided by ComEd, correct?

21 **A.** As reasonably possible, yes.

22 **Q.** So costs associated with providing services

1 to one class of customers should be recovered in
2 the rates charged to that group of customers?

3 **A.** Right.

4 **Q.** And costs associated with providing service
5 to more than one class of customer should be
6 recovered by allocating the costs among the rates
7 charged to the customer classes that receive that
8 service, right?

9 **A.** Yes, that's how cost-of-service studies are
10 performed, on a delivery-class basis.

11 **Q.** And in both ComEd's 2007 rate case and in
12 this proceeding, ComEd has recommended using an
13 embedded cost-of-service study, right?

14 **A.** That's the only study we offer, and it's in
15 compliance with -- again, Illinois Administrative
16 Code Part 285.

17 **Q.** Would you agree that an embedded
18 cost-of-service study is designed to answer the
19 question, how can the utilities booked expenses be
20 allocated between customer classes to reflect how
21 each class causes the utility to incur the costs?

22 **A.** Could you read that back or say it again.

1 **Q.** The ECOSS is designed to answer how can the
2 utilities booked expenses be allocated among
3 customer classes to reflect how each class causes
4 the utility to incur costs?

5 **A.** It's my understanding that's what an
6 embedded cost-of-service study does, yes.

7 **Q.** Are you aware in ComEd's 2007 rate case,
8 the Commission reached some conclusions that were
9 highly critical of ComEd's embedded cost-of-service
10 study?

11 MR. ROONEY: I object at this point, your Honor.

12 Mr. Alongi is not the cost-of-service
13 witness for the Company. That witness was
14 Mr. Heintz, and at that juncture, REACT chose to
15 waive cross-examination of Mr. Heintz on
16 cost-of-service issues.

17 MR. TOWNSEND: This is the witness who testifies
18 about the overall rate design, which is based upon
19 the ECOSS. I'm not asking a detailed question
20 about the embedded cost-of-service study or how it
21 was conducted.

22 This witness also has indicated that he

1 is the witness that prepares the necessary filings
2 of the tariffs with the Commission based upon the
3 Commission's prior orders.

4 So I'm asking him his understanding of
5 that prior order.

6 JUDGE DOLAN: We will overrule. He can answer.

7 THE WITNESS: Can someone read the question
8 back.

9 BY MR. TOWNSEND:

10 Q. Are you aware that the Commission, in 2007
11 rate case, reached some conclusions that were
12 highly critical of ComEd's embedded cost-of-service
13 study?

14 A. I recall that in the order they were
15 critical. I don't recall if they said "highly
16 critical."

17 JUDGE SAINSBY: Mr. Townsend, for the record
18 you're talking about the cost-of-service study that
19 was performed in that docket?

20 MR. TOWNSEND: That's correct.

21 Thank you, your Honor.

22 BY MR. TOWNSEND:

1 **Q.** And the Commission did not adopt ComEd's
2 mitigation proposal that it made in the 2007 rate
3 case, correct?

4 **A.** No, the Commission adopted a variation of
5 the 50 percent movement to costs that ComEd
6 proposed in that case, and they chose to move in
7 four steps, with the first step being 25 percent.

8 **Q.** You're aware that the Commission suggested
9 that ComEd's embedded cost-of-service study in the
10 2007 rate case did not appropriately assign costs
11 in accordance with cost causation principles,
12 right?

13 **A.** I believe there was a question in the
14 Commission's mind as to whether costs were being
15 assigned appropriately, which is why I believe they
16 initiated the rate design investigation in that
17 proceeding.

18 **Q.** Can you turn to Page 213 of REACT
19 Cross-Exhibit 13.

20 **A.** Okay.

21 **Q.** The first paragraph the Commission says
22 that the Commission finds the embedded

1 cost-of-service study fails in several respects to
2 properly allocate significant costs to cost-causers
3 and to correctly measure the cost of service to
4 various classes and subclasses, correct?

5 A. That's what it says.

6 Q. You also understand that the Commission
7 found that ComEd's embedded cost-of-service study
8 in that rate case was so flawed that it was
9 problematic, relying upon it to set rates in that
10 proceeding, correct?

11 A. Again, I don't recall the "so flawed," but
12 I know they have concerns.

13 Q. Actually, in the third paragraph there, the
14 second sentence, it says:

15 "However, as we've noted the
16 substantial deficiencies and the specific
17 elements of the ECOSSE render it
18 problematic for purposes of rate setting
19 in this docket."

20 Correct?

21 A. Yes.

22 Q. And in the fourth paragraph, the Commission

1 stated:

2 "That we determined that the
3 proper assignment of primary and
4 secondary distribution costs would likely
5 reduce the total cost allocation to
6 customers in the extra-large load,
7 high-voltage and railroad delivery
8 classes."

9 Right?

10 **A.** That's what it says, correct.

11 **Q.** As a result of its concerns, the Commission
12 refused to grant ComEd the level of rate increase
13 that ComEd sought for of over-10-megawatt customer
14 classes, right?

15 **A.** That why it chose to move them more slowly
16 to costs.

17 **Q.** On the same day that the Commission issued
18 its final order in the 2007 rate case, the
19 Commission opened an investigation under ComEd's
20 rate design under Section 9.250, correct?

21 **A.** That's correct.

22 **Q.** And you participated in that case,

1 Docket No. 08-0532, correct?

2 A. I did.

3 Q. If I refer to that as the Special
4 Investigation Proceeding, you'll understand what I
5 mean?

6 A. Yes.

7 Q. Is it fair to say that among other issues,
8 the Special Investigation Proceeding covered the
9 concerns raised by the Commission that we discussed
10 a few minutes ago regarding the appropriate
11 allocation of costs?

12 A. Yes.

13 Q. The Commission issued its final order in
14 the Special Investigation Proceeding in April of
15 2010, correct?

16 A. April 21, as I recall.

17 Q. And in its final order of the Special
18 Investigation Proceeding, the Commission did not
19 accept the primary/secondary analysis that ComEd
20 had presented in that proceeding, right?

21 A. It recommended changes.

22 Q. It made specific requirements about what

1 ComEd issued include in its embedded

2 cost-of-service study in this case, correct?

3 **A.** It listed a number of changes that should
4 be made.

5 **Q.** Do you have REACT Cross-Exhibit 4, which is
6 excerpts from the final order of that proceeding?

7 **A.** No.

8 MR. TOWNSEND: May I approach, your Honor?

9 JUDGE SAINSOT: Yes, you may.

10 MR. TOWNSEND: Again, this was introduced
11 previously.

12 BY MR. TOWNSEND:

13 **Q.** I turn your attention to the bottom of Page
14 38, there the Commission stated that based upon
15 ComEd's tariffs and the description of the system
16 provided to us, we find ComEd's current method of
17 allocating transformer costs is not appropriate.

18 When the exiting voltage of the
19 transformer is secondary, the transformer can only
20 serve secondary customers and shall be allocated as
21 a secondary system cost, correct?

22 **A.** Correct.

1 **Q.** And on Page 39, in the third paragraph, the
2 Commission states that with regard to customers
3 with both primary and secondary service points
4 that, quote:

5 "We find that the rates charged to
6 these customers should reflect their use
7 of transformers and some use of the
8 secondary distribution system."

9 Right?

10 **A.** Is that where you have it bracketed on
11 Page 39, according to our reading?

12 **Q.** Right after that, the next sentence.

13 **A.** Yes, okay.

14 **Q.** Do you agree?

15 **A.** I agree that's what it says, yes.

16 **Q.** And on Pages 39 to 40, the Commission
17 directed the parties to examine the different
18 voltage levels within the classes requesting
19 further review in ComEd's next rate case of, quote:

20 "The costs assigned as either
21 primary or secondary costs or allocated
22 as general costs combining the

1 percentages of primary and secondary
2 usage. "

3 Correct?

4 **A.** Yes, in its next rate case.

5 **Q.** And on Page 40, Item 4, in the first full
6 paragraph, the Commission directed ComEd to
7 present, quote:

8 "An analysis of which customer
9 groups are served by which systems
10 service components."

11 Correct?

12 **A.** You're on Page 40?

13 **Q.** Page 40, Item 4, in the first paragraph.

14 **A.** Oh, okay. Yes.

15 **Q.** Mr. Alongi, I would like to now turn to the
16 assets used to serve the over-10-megawatt customer
17 classes.

18 Would it be fair to say that ComEd
19 believes that its proposed embedded cost-of-service
20 study accurately reflects the cost to serve the
21 over-10-megawatt customer classes, right?

22 **A.** Yes.

1 **Q.** And it would be fair to say that ComEd
2 believes that its preferred exemplar, even though
3 ComEd is not proposing it, would, if the Commission
4 adopted it, reflect the cost to serve the
5 over-10-megawatt customer classes, correct?

6 **A.** With a differentiation in rates for those
7 customers in the extra-large load class that are
8 served at a primary voltage, as well as any other
9 class served at a primary voltage, yes.

10 **Q.** And when you agreed that these two embedded
11 cost-of-service studies accurately reflected the
12 cost to serve, that means that they reflect, in
13 ComEd's view, the cost of the assets used to serve
14 those customers, right?

15 **A.** Based upon the uniform system of accounts,
16 yes.

17 **Q.** You further have testified that the rates
18 for certain delivery classes are cost based; is
19 that correct?

20 **A.** Yes.

21 **Q.** And when you refer to cost-based rates in
22 your prefiled testimony, as well as in the

1 cross-examination today, you were referring to
2 rates that are based on ComEd's embedded
3 cost-of-service study, correct?

4 **A.** Yes.

5 **Q.** Likewise, today when you responded to
6 questions from Mr. Feeley regarding subsidies, you
7 were referring to comparing the existing and
8 proposed rates to ComEd's proposed embedded
9 cost-of-service study, correct?

10 **A.** As I recall, Mr. Feeley also asked me about
11 the exemplar rates. And there are customer classes
12 in each of the rate designs we presented in this
13 case that are at 100 percent EPEC, and there are
14 other delivery classes that are not.

15 **Q.** But when you use the term "subsidies,"
16 you're using that to indicate that the rates are
17 not achieving 100 percent, equal percentage of
18 marginal EPMC of your embedded cost-of-service
19 study, correct?

20 MR. ROONEY: Objection; just for clarification,
21 I think you meant equal percentage of embedded
22 cost.

1 MR. TOWNSEND: I'm sorry. Of embedded costs,
2 old cases.

3 THE WITNESS: All right. With the clarification
4 that you mean 100 percent of the EPEC, there are
5 delivery classes that are under recovering the
6 costs that would be assigned with the embedded
7 cost-of-service study, yes.

8 BY MR. TOWNSEND:

9 Q. You weren't referring to an actual
10 cost-of-service study, you were referring to the
11 embedded cost-of-service study?

12 A. I don't know what you mean by "actual."

13 The embedded cost-of-service meets the
14 requirements of Administrative Code Part 285.5510.
15 That's the cost-of-service study that we are
16 obligated to present.

17 Q. And that's the one that you were referring
18 to when you were talking about subsidies?

19 A. Yes.

20 Q. Let's discuss the assets that are used to
21 serve those customers.

22 Are you familiar with the term,

1 "standard service"?

2 A. Yes.

3 Q. Would you agree that standard service means
4 standard distribution facilities installation
5 provided by ComEd for a retail customer that
6 includes distribution facilities adequate to
7 provide the single point of delivery, the electric
8 power and energy required by such retail customer?

9 A. It sounds like a quote from our General
10 Terms and Conditions.

11 Q. And can we agree that when I refer to
12 "standard service," I'm referring to the concept we
13 just discussed there?

14 A. Right.

15 Standard service is generally used in
16 determining costs that a customer might be
17 obligated to pay when they request facilities at
18 their premises that are different than standard.

19 Q. So "standard services" is actually used to
20 define another term which is "required service,"
21 right?

22 A. No. "Required" is whatever the customer

1 requests.

2 The difference between "standard" and
3 "required" is nonstandard, and that's usually a
4 computation that results in a payment from the
5 customer where there is nonstandard facilities and
6 services.

7 **Q.** Can we agree that when we talk about
8 "standard service," we're talking about standard
9 distribution facilities provided by the Company for
10 a retail customer that includes distribution
11 facilities adequate to provide a single delivery
12 point, the electric power and energy required by
13 the retail customer?

14 **A.** That's what our General Terms and
15 Conditions defines it as, yes.

16 **Q.** Now, not all members of the
17 over-10-megawatt customer class receives standard
18 service, right?

19 **A.** There is very few customers in any class
20 that actually receives standard service.

21 **Q.** ComEd allows customers to have nonstandard
22 service where the customers receive additional

1 services or services at multiple voltages, right?

2 **A.** That's correct, as long as they pay the
3 difference between the standard allowance and the
4 required facilities and any rental for re-useable
5 equipment that is determined to be nonstandard.

6 **Q.** Okay. We'll talk about the "nonstandard" in
7 just a minute.

8 But, first, I want to confirm some
9 attributes of the standard service to the
10 extra-large load customer class.

11 For example, an extra-large load class
12 customer's typically served by an on-site electric
13 service station, or ESS, on customer property,
14 rather than a community transformer, correct?

15 **A.** Customers in the extra-large load class
16 typically are served to electric service stations
17 and may also be served by community transformers,
18 depending on what they request.

19 **Q.** But normally, a customer in the extra-large
20 load delivery class, would receive service through
21 an ESS on the customer's property as standard
22 service?

1 **A.** As a general manner, extra-large load
2 customers do receive service with an electric
3 service station. And I would agree that the
4 standard installation on that customer's property
5 would be an electric service station, if they
6 request something different than what is standard,
7 which is basically the least cost plan.

8 MR. TOWNSEND: May I approach, your Honor?

9 JUDGE SAINSOT: Yes, you may.

10 MR. TOWNSEND: I will hand you what is being
11 marked as REACT Cross-Exhibit 23, which is ComEd's
12 response to REACT Data Request 6.11.

13 Let me know once you have had a chance
14 to review that.

15 (Whereupon, REACT
16 Cross-Exhibit No. 23 was
17 marked for identification.)

18 THE WITNESS: I have reviewed it, and I suggest
19 that it's what I just said.

20 BY MR. TOWNSEND:

21 **Q.** As part of that response, it states that as
22 a practical matter, although an ESS is normally

1 provided as standard service installation for a
2 customer in the extra-large load delivery class,
3 there may be circumstances in which service from a
4 community transformer may be provided in addition
5 to an ESS at no additional charge, and thus,
6 considered part of the customer's standard service
7 if such a plan for providing service is determined
8 by ComEd in the least-cost manner provide the
9 customer's requested service, correct?

10 **A.** Yes.

11 **Q.** In other words, ComEd only sets out to
12 charge the customer for their ESS, correct?

13 **A.** I'm not sure what you mean by ComEd only
14 sets out to charge for the ESS.

15 Are you talking about that particular
16 circumstance?

17 **Q.** In that circumstance.

18 **A.** Yeah, in the circumstance that I was trying
19 to describe in this example was, there may be
20 situations where a customer with an electric
21 service station add sufficient load to warrant a
22 change in the standard transformation, but for

1 whatever reason elects to take service from a
2 community transformer that may be at the west end
3 of the plant instead of the east end where the
4 electric service station is.

5 And had the customer taken service at
6 one point of service, ComEd would have increased
7 the capacity of the electric service station and
8 that increase is what we call a change-out
9 allowance. And if that change-out allowance is
10 sufficient, the point of service from the community
11 transformer may be less, and that becomes the least
12 cost plan, so therefore, there is no charge.

13 **Q.** Does ComEd agree with REACT Witness
14 Terhune's statements that extra-large load customer
15 class ESSs are fed by 12 kV or higher three-phase
16 lines?

17 **A.** No.

18 **Q.** If an extra-large load customer was served
19 its standard service, would it be served at a 12 kV
20 line or higher line?

21 **A.** Not necessarily, it depends on where the
22 customer is located. The customer could be served

1 at 138 kV, it could be 12 kV, it could be 24, it
2 could be 4 kV. It depends on what circuits are
3 available.

4 Q. Can you think of an example where a
5 customer with a demand of over 10,000 kilowatts is
6 served at a single point of service at 4 kV?

7 A. Off the top of my head, no, but that's not
8 to say none exist.

9 MR. TOWNSEND: May I approach, your Honor?

10 JUDGE SAINSOT: Yes, you may.

11 MR. TOWNSEND: I will hand you what is being
12 marked REACT Cross-Exhibit 24, ComEd's response to
13 Staff Data Request PL2.08.

14 (Whereupon, REACT
15 Cross-Exhibit No. 24 was
16 marked for identification.)

17 BY MR. TOWNSEND:

18 Q. And in the second paragraph of that
19 response, does it state that the amount of electric
20 power and energy required by the customer in the
21 extra-large delivery class and railroad delivery
22 class would qualify the customer for primary

1 voltage service connection which would typically be
2 12 kV or 34 kV service point in order to provide
3 enough capacity for a service connection at a
4 single delivery point or more than one service
5 point in some circumstances?

6 **A.** That's what it said. But as I mentioned,
7 there are circumstances or there may be
8 circumstances where a large load customer locates
9 on a 4 kV, part of ComEd service territory, and
10 that becomes the least cost plan, if we can provide
11 the capacity through those 4 kV circuits. And
12 that's the reason why the word "typically" is
13 there.

14 And, again -- well, I'll stop there.

15 **Q.** Isn't it fair to say that ComEd thought
16 that this was an adequate assumption to base a cost
17 estimate on for its primary delivery class?

18 **A.** What cost estimate?

19 **Q.** You based your primary delivery class on
20 the assumption of this being a typical situation,
21 correct?

22 **A.** Primary delivery class is based upon

1 receiving service at 12 kV or 4 kV or above,
2 actually.

3 Q. And we agreed earlier that ComEd believes
4 that its preferred exemplar ECOSS accurately
5 represents cost causation associated with the
6 assets used to serve those customers, correct?

7 A. Right.

8 And the primary-voltage class, please
9 remember, there is no transformation unless there
10 is a transformation from one primary voltage to
11 another primary voltage.

12 So, for example, there may be a
13 transformation from 34 kV to 4 kV, 34 to 12, 12 to
14 4, those are also considered primary-voltage
15 customers, which is the reason why we have a
16 separate primary voltage transformer charge
17 included in our exemplar rate design.

18 Q. I would like to show you what has been
19 previously admitted as REACT Exhibit 6.1.
20 Actually, I believe this is Page 1 of REACT
21 Exhibit 6.1, an attachment to Mr. Terhune's
22 testimony.

1 This is a marked version of ComEd's own
2 diagram from its loss-factor study, ComEd Exhibit
3 34.1 Appendix B, entitled Simplified System
4 Resistance Model, correct?

5 **A.** That's what it appears to be, yes.

6 **Q.** Mr. Terhune testified that this diagram
7 depicts the various paths from the bulk power
8 system with generation and transmission through the
9 elements of the delivery system to the individual
10 retail customers, right?

11 **A.** I don't remember what Mr. Terhune might
12 have testified to with respect to this diagram.

13 **Q.** Well, would you agree that this diagram
14 depicts the various paths from generation to
15 transmission through to the customers which are
16 represented in the C box?

17 **A.** Yes, but I don't understand what the red X
18 is and things like that mean. I do understand that
19 this is a -- and it says Simplified System
20 Resistance Model for the purpose of conducting a
21 loss study, not for the purpose of conducting a
22 cost study.

1 Q. So on the chart for any particular customer
2 in the box labeled "C," you would agree that there
3 are assets that are used to represent the standard
4 service for the customer represented by that C,
5 correct?

6 MR. ROONEY: I object, your Honor.

7 Mr. Alongi, this is not his chart, he
8 didn't prepare it. This was prepared by Mr. Born
9 as part of his testimony.

10 Mr. Alongi has already testified, in
11 fact, he's unsure of what some of the red marks and
12 Xs are on this document.

13 JUDGE SAINSOT: Can I have the question read
14 back again please.

15 (Whereupon, the record
16 was read as requested.)

17 JUDGE SAINSOT: Overruled.

18 THE WITNESS: I don't know if this represents
19 standard service.

20 Standard service, again, is those
21 facilities located at the customer's premises that
22 are determined to be the least cost plan for

1 providing service at that point from ComEd's
2 system, and it can be a variety of different
3 combinations of circuits, transformers.

4 So to say that this is representative of
5 what standard service is, I don't think I can agree
6 with that statement, because again, as I testified
7 in my -- one of my testimonies, there are
8 situations where an extra-large load customer, for
9 example, may take service from a single-phase
10 primary tap and may have paid -- or you know, even
11 a 4 kV three-phase circuit, and may have paid
12 nonstandard facilities for those facilities located
13 on their property, but they didn't pay anything for
14 the use of those facilities off the property, and
15 that's why it's appropriate to allocate costs of
16 ComEd's entire distribution system to all customer
17 classes because they, in some way, shape or form,
18 use that system and were not charged nonstandard
19 facility charges for that use.

20 BY MR. TOWNSEND:

21 Q. If a customer were to be taking 138 kV
22 service at a single point, would you agree that

1 that customer's standard service would be reflected
2 by the boxes that are connected to the 138 kV
3 transformer, Box 1?

4 **A.** If that is that customer's only point of
5 service, that would represent that customer's
6 standard installation.

7 **Q.** To the extent that an over-10-megawatt
8 customer has standard service, it's reasonable to
9 assume that their standard service looks something
10 like what's represented on this chart, correct?

11 **A.** Where on this chart are you talking about?

12 **Q.** If they're receiving standard service, you
13 would be able to flow the power through the system
14 to one of the boxes marked C, correct -- again, for
15 a standard single point of service?

16 **A.** Which customer class?

17 **Q.** Over-10-megawatt.

18 **A.** The extra-large load?

19 **Q.** Extra-large load customer class.

20 **A.** It could be any one of the number of
21 different boxes.

22 **Q.** But it would be one of the boxes

1 represented here?

2 **A.** I think that would be fair to say.

3 **Q.** And you know that REACT has set forth that
4 this chart represents standard service for the
5 extra-large load customer class, that you can flow
6 standard service through the generation
7 transmission system through to a single point of
8 delivery for an extra-large load customer on this
9 diagram, correct?

10 **A.** Again, I don't recall exactly what
11 Mr. Terhune testified to, whether he used this
12 diagram or explained his rationale in words.

13 **Q.** Did you provide any rebuttal testimony with
14 regards to this portion of Mr. Terhune's testimony
15 where he referenced this diagram?

16 **A.** Quite frankly, I don't remember that
17 reference, but if you could refresh my memory.

18 **Q.** Well, are you aware of any ComEd witness
19 that engaged Mr. Terhune on that issue?

20 **A.** Well, my position has been that, as I
21 understand what REACT is asking the Company to do,
22 is segment its system into smaller subsegments,

1 -its primary distribution system into smaller
2 subsegments.

3 I remember Mr. Terhune indicating that
4 extra-large load customers use three-phase. He
5 talked about -- maybe this is what he said, that
6 they don't use three-phase load capability lines,
7 they don't use single-phase lines, they don't use
8 two-phase lines, they don't use 4 kV lines, a
9 number of components of our system that they
10 claimed they don't use, and I disagree with that.

11 Q. But in terms of defining what standard
12 service is for the extra-large load customer class,
13 you're aware that what Mr. Terhune says is that the
14 extra-large load customer class is only served for
15 standard service via the green boxes and not the
16 red boxes or the lines that have red Xs on them,
17 correct?

18 MR. ROONEY: Objection; asked and answered.

19 JUDGE SAINSOT: He already testified about the
20 boxes, that he didn't understand the Xs.

21 MR. TOWNSEND: I'm just asking if that's his
22 understanding of Mr. Terhune's testimony, that

1 that's what this represents, that the green boxes
2 are the ones that are used to serve the extra-large
3 load customer classes.

4 JUDGE SAINSOT: All right.

5 MR. ROONEY: I think he answered -- excuse me. I
6 didn't mean to interrupt.

7 Mr. Alongi answered that he wasn't sure
8 what Mr. Terhune testified to. He identified what
9 he thought Mr. Terhune said wasn't part of that
10 with to which he disagreed.

11 THE WITNESS: I think -- if I may, I think I
12 understand the question now, because red boxes that
13 are X'd out, are those components of ComEd's system
14 that I believe Mr. Terhune says are not used in the
15 provision of standard service, and I disagree.

16 I mentioned the 4 kV feeders. You've
17 got those boxes X'd out. And there may be
18 circumstances where an over-10-megawatt customer
19 takes service exclusively from the 4 kV feeders,
20 depending on the circumstances.

21 BY MR. TOWNSEND:

22 Q. ComEd hasn't presented any testimony about

1 the precise circumstances as to when they could use
2 the 4 kV and the other assets that you just
3 identified, has it?

4 MR. ROONEY: Objection to the extent that it
5 assume that's Mr. Alongi knows what every other
6 witness testified to. He can speak for what he
7 testifies to.

8 BY MR. TOWNSEND:

9 Q. If you're aware of other testimony, please
10 illuminate us; otherwise, explain what it is that
11 your testimonies say.

12 A. Well, my testimony basically says that the
13 analysis that I understand REACT and others want
14 ComEd to perform is what I call a bottoms-up
15 approach to cost allocation represented by
16 identifying all the different components
17 represented on this diagram for one; although, it
18 doesn't show a single-phase and two-phase which
19 others and REACT has mentioned.

20 And, you know, I keep referring back to
21 Section 285.5110, Schedule E6, Embedded Class
22 Cost-of-Service Studies, Electric and Gas

1 Utilities. All costs broken down by ICC accounting,
2 a list of demand and/or energy loss factors by
3 customer class used in the study.

4 I don't see how identifying assets used,
5 whether they be standard or required or
6 nonstandard, is helpful for performing a
7 cost-of-service study.

8 Q. You have not presented, and no other ComEd
9 witness has presented, a bottoms-up analysis, as
10 you referred to it, correct?

11 A. ComEd certainly has not, no.

12 Q. And Part 285 isn't the only source of
13 obligations on the Company, correct?

14 A. On the utilities they are.

15 Q. And Commission's orders, too, correct?

16 A. I would agree.

17 Q. REACT has requested that ComEd identify
18 specific instances where extra-large load customer
19 class customers receive service from 4 kV assets,
20 right?

21 A. I believe we prepared a data request
22 response to that effect.

1 **Q.** Did ComEd actually identify any such assets
2 in service that are used to provide service to
3 specific customers in the extra-large load customer
4 class?

5 **A.** As I recall, we identified points of
6 service, medium points of service were connected,
7 either through transformers or directly, to 4 kV
8 circuits. I seem to recall a number of 46 in the
9 number of points of service in the extra-large load
10 class that receive service in some way, shape or
11 form through 4 kV.

12 **Q.** Did ComEd ever confirm whether those assets
13 were not billed under Rider NS?

14 **A.** There is really no need to because anything
15 billed under Rider NS is not part of our revenue
16 requirement.

17 **Q.** So do you know if those 46 points of
18 service that you just referred to are part of your
19 revenue requirement?

20 **A.** I couldn't say for sure, which part of
21 those circuits are or are not part of the revenue
22 requirement because it's not recorded in the manner

1 that I could make that determination, but I can
2 assure you that our revenue requirement excludes
3 any contributions in native construction derived
4 from Rider NS and any rental revenues derived from
5 Rider NS.

6 **Q.** Did ComEd confirm whether any of those
7 assets were provided for ComEd's convenience as an
8 alternative to 12 kV or higher three-phase service?

9 MR. ROONEY: Excuse me. Convenience to who?

10 MR. TOWNSEND: To ComEd.

11 JUDGE SAINSBOT: So provided by the customer?

12 MR. TOWNSEND: Provided by ComEd's because of
13 ComEd's desire, as opposed to one of the customer's
14 requests.

15 THE WITNESS: Now, we are talking about
16 equipment, components of the distribution system
17 that have been installed over decades, would be my
18 guess, and there's quite frankly, no way to
19 identify them the way that you're suggesting. It's
20 taken off the top, so-to-speak, and the costs that
21 we allocate are only those costs that we're
22 entitled to.

1 BY MR. TOWNSEND:

2 Q. Let's discuss for a moment the payment for
3 nonstandard service. ComEd's position is that all
4 assets assigned to rate base for the extra-large
5 load customer class are recovered through rate RDS,
6 correct?

7 A. For the ICC jurisdictional base rates,
8 that's correct.

9 Q. This includes recovery for any single-phase
10 or two-phase line or any 4 kV transformer in rate
11 base that have been allocated to the extra-large
12 load customer class, right?

13 A. It includes costs of those facilities as
14 they're allocated to all customer classes, yes.

15 Q. ComEd has allocated costs to the
16 over-10-megawatt customer class from some
17 categories of assets that are not typically used to
18 provide standard service to those customer classes,
19 correct?

20 A. I don't know that.

21 Q. Well, ComEd has not specifically identified
22 which individual assets are used to serve those

1 customer classes, right?

2 A. As I said a number of times, there is no
3 need to.

4 Q. Despite your belief that there wasn't a
5 need to, ComEd has not presented that testimony in
6 this case, right?

7 A. Testimony to identify specific assets?

8 Q. Yes.

9 A. No.

10 Q. Nor as ComEd specifically identified which
11 individual assets were paid for under Rider NS to
12 provide nonstandard service, correct?

13 A. I'll say it again, there is no need to.
14 It's --

15 JUDGE SAINSOT: Mr. Alongi, you have to answer
16 the question. It's a "yes" or "no" question.

17 THE WITNESS: What was the question please?

18 BY MR. TOWNSEND:

19 Q. ComEd has not specifically identified which
20 individual assets were paid for under Rider NS to
21 provide nonstandard service, correct?

22 A. Correct.

1 **Q.** I just mentioned Rider NS. You're familiar
2 with that?

3 **A.** Yes.

4 **Q.** It's a rider that allows for the recovery
5 of costs ComEd incurs associated with assets
6 installed for a specific customer whose service is
7 different from standard service, right?

8 **A.** That's correct, from a specific customer.

9 **Q.** And assets paid for under Rider NS are not
10 part of the rate base, correct?

11 **A.** The assets paid for is a contribution in
12 native construction on that part of rate base. The
13 assets that are recovered through monthly Rider NS
14 rentals are a reduction to the revenue requirement.

15 **Q.** So they're not part of rate base, correct?

16 **A.** They're not part of the revenue
17 requirement.

18 **Q.** Now, ComEd has provided some information
19 about facilities paid for under Rider NS in
20 discovery, right?

21 **A.** Yes.

22 **Q.** And those documents were produced in

1 response to the Administrative Law Judges
2 On-the-Record Data Request No. 1, correct?
3 **A.** I believe that's correct, yes.
4 MR. TOWNSEND: Can we go off the record for just
5 one moment, your Honor.
6 JUDGE DOLAN: Yes.
7 (Whereupon, a discussion was
8 had off the record.)
9 MR. TOWNSEND: Your Honor, if I may approach?
10 JUDGE SAINSOT: Yes, you may.
11 MR. TOWNSEND: We have talked with counsel --
12 and, again, Mr. Rooney, you would like to have this
13 document kept confidential?
14 MR. ROONEY: Yes, please.
15 JUDGE SAINSOT: Just hand it to me. I will mark
16 it confidential, if it's not marked.
17 MR. TOWNSEND: (Tendering document.)
18 That will be REACT -- and actually, if
19 we can have that cover page on it, that's the
20 response itself.
21 JUDGE SAINSOT: These are all confidential?
22 MR. ROONEY: Yes.

1 JUDGE SAINSOT: Okay. This is REACT
2 Cross-Exhibit No. 25.
3 (Whereupon, REACT
4 Cross-Exhibit No. 25
5 Confidential was marked for
6 identification.)
7 MR. TOWNSEND: 25, and why don't we call it
8 "REACT confidential," so that in the title of it,
9 we all recognize it.
10 JUDGE SAINSOT: All right.
11 BY MR. TOWNSEND:
12 Q. And would you agree, Mr. Alongi, that REACT
13 Cross-Exhibit 25 Confidential is ComEd's response
14 to what it referred to as the Administrative Law
15 Judges On-the-Record Data Request No. 1?
16 A. Yes.
17 Q. And that request directed ComEd to provide
18 quote, "all documents pertinent to Rider NS
19 concerning the extra-large load customer
20 build-outs."
21 Correct?
22 A. Yes.

1 BY MR. TOWNSEND:

2 Q. I will hand you what's now being marked as
3 REACT Cross-Exhibit 26 Confidential, which is a
4 summary of the data contained within REACT's
5 Cross-Examination Exhibit 25 Confidential.

6 A. When you say it's being marked, that means
7 we are marking it?

8 MR. TOWNSEND: Yes.

9 JUDGE SAINSOT: Okay.

10 (Whereupon, REACT
11 Cross-Exhibit No. 26
12 Confidential was marked for
13 identification.)

14 BY MR. TOWNSEND:

15 Q. Would you accept, subject to check, that
16 REACT Cross-Exhibit 26 is a summary of the data
17 contained in REACT's Cross-Examination Exhibit 25
18 Confidential?

19 MR. ROONEY: Objection, your Honor.

20 In this instance, we would ask, first of
21 all, that there be a foundation laid as to when
22 this witness has seen it and is he familiar with

1 this information and did he prepare it.

2 JUDGE SAINSOT: I agree. Sustained.

3 BY MR. TOWNSEND:

4 Q. Mr. Alongi, are you aware that REACT has
5 made an offer of proof with regards to the
6 Administrative Law Judges on the Record Data
7 Request No. 1?

8 A. No.

9 Q. Had you previously seen any analysis of the
10 information that you provided in REACT
11 Cross-Exhibit No. 25 Confidential?

12 MR. ROONEY: Analysis by who?

13 MR. TOWNSEND: By anyone.

14 THE WITNESS: REACT's Cross-Exhibit 25?

15 MR. TOWNSEND: The information that was provided
16 in response to the Administrative Law Judges
17 On-the-Record Data Request.

18 Did you see any analysis associated with
19 that data?

20 THE WITNESS: No.

21 BY MR. TOWNSEND:

22 Q. Would you accept, subject to check, that

1 only two-tenths of a percent of the capacity in kVA
2 of the assets detailed in the response to REACT
3 Cross-Exhibit 25 Confidential --

4 A. I have not.

5 Q. -- were single- or two-phased distribution
6 lines?

7 MR. ROONEY: Objection, your Honor.

8 In this instance, we are talking about a
9 document that is, as you can see, thick.

10 Mr. Alongi's testified that he hasn't
11 conducted any analysis associated with this and
12 hasn't seen any analysis associated with this.

13 We believe it's inappropriate for him to
14 be asked to accept, subject to check, in an effort
15 to present affirmative evidence on an issue that
16 he's testified he has not seen any analysis on.

17 JUDGE SAINSBOT: Well, I don't know that you
18 necessarily need to see analysis.

19 MR. RIPPKE: If your Honors will indulge me, I
20 was here at the time of the offer of proof debate.

21 The document that's been marked as REACT
22 26 is a document that was submitted purportedly as

1 part of an offer of proof after your Honors in no
2 uncertain terms rejected attempts to offer it as
3 affirmative evidence.

4 Now, we're going to attempt to get it
5 into evidence by asking Mr. Alongi, who has never
6 seen the document before, to accept portions of it,
7 subject to check. That is objectionable.

8 This is part of an offer of proof. It
9 may or may not be a proper offer of proof, but it
10 is an offer of proof, and we shouldn't sneak it in
11 the backdoor by asking a witness about it who has
12 never seen it before.

13 MR. TOWNSEND: I object to that
14 characterization.

15 JUDGE SAINSOT: Has Mr. Alongi seen these
16 documents before?

17 MR. RIPPPIE: The ComEd documents, not the REACT
18 documents.

19 JUDGE SAINSOT: Well, you shouldn't --

20 MR. TOWNSEND: Mr. Rippie's characterization is
21 not accurate. REACT Cross-Examination Exhibit 26
22 was attached to the offer of proof, but this is a

1 separate analysis of the data that Mr. Alongi is
2 responsible for providing to us.

3 So, what we've done is try to go through
4 and provide, for the Commission, a summary form of
5 that data.

6 Now, we can go through and try to build
7 up the data that's contained in this so that we can
8 determine the amount of assets that are actually in
9 there or we can accept it, subject to check, which
10 is Commission practice, which would allow them to
11 take a look at this analysis and check the analysis
12 to see if they agree with that analysis or not.

13 MR. ROONEY: Your Honors, Mr. Alongi didn't
14 prepare this analysis. He's never seen this
15 document before that's presented here now. And
16 whatever the analysis is trying to do, it's trying
17 to apparently distill this information.

18 JUDGE SAINSOT: Well, asking somebody a date,
19 subject to check, or a particular number, subject
20 to check, on the idea that it might be 7 million as
21 opposed to 8 million is one thing. But having him
22 go through the whole document or accept what you're

1 saying about a document he's never seen before, no,
2 no.

3 MR. TOWNSEND: Your Honor, I'm just asking him
4 the bottom-line question that you're suggesting.

5 The question that was pending is that is
6 he willing to accept, subject to check, that only
7 two-tenths of a percent of the capacity of the
8 assets that are identified in there are single- or
9 two-phased assets. That's the --

10 JUDGE SAINSOT: But he's never seen this
11 document before.

12 MR. TOWNSEND: No, I'm sorry. It's based on
13 this document.

14 JUDGE SAINSOT: But he doesn't know that.

15 MR. TOWNSEND: He is the one that is responsible
16 for this data request response.

17 JUDGE SAINSOT: But not this one. He's supposed
18 to take your word that this equals this?

19 MR. TOWNSEND: I'm not asking him to take my
20 word. I'm asking him if he would agree that this
21 document, the REACT Confidential 25, reflects that
22 only two-tenths of a percent of the capacity in

1 REACT's 25 --

2 MR. RIPPPIE: Perhaps, we can sort of cut through
3 this without any characterizations.

4 There are rules governing the
5 introduction of summary evidence. This witness is
6 being handed a relatively thick group of ComEd
7 documents, and being asked to accept a mathematical
8 calculation. If he happens to know the answer to
9 that, I suppose he can testify to it.

10 But this is not how you lay a foundation
11 for a summary; it is not the required foundation
12 for summary evidence in the rules; and it is most
13 certainly attached to the offer of proof, but --

14 JUDGE SAINSOT: Well, I totally agree with
15 Mr. Rippie.

16 If you want to ask him about what he
17 knows in ComEd Exhibit 25, go crazy.

18 JUDGE DOLAN: Cross-Exhibit.

19 JUDGE SAINSOT: Cross-Exhibit. But not 26.

20 BY MR. TOWNSEND:

21 Q. Mr. Alongi, are you aware of what single-
22 or two-phase assets are reflected in REACT

1 Cross-Exhibit 25 Confidential?

2 A. I have not done that analysis, no.

3 Q. And how would you go about doing that
4 analysis?

5 A. I would have to --

6 MR. ROONEY: Objection.

7 What is that relevant to at this
8 juncture?

9 The fact that he's testified he hasn't
10 performed analysis and the fact that another party
11 wants to conduct analysis, that's not necessarily
12 relevant to Mr. Alongi's testimony.

13 JUDGE SAINSOT: What is the question? I'm
14 sorry.

15 MR. TOWNSEND: So, again, Judge, this goes to
16 this whole question of this single-phase and
17 two-phase assets that are used to serve this
18 customer class.

19 In this response to Confidential Exhibit
20 25, ComEd has provided some information about the
21 single- and the double- or the two-phase assets
22 that are used to provide that customer class.

1 So I'm trying to get at what that
2 information is in here. Again, whether it's
3 indicative of REACT's claim that there are very few
4 single- and two-phase distribution lines that are
5 used to serve this customer class.

6 MR. ROONEY: I would like to correct
7 Mr. Townsend, it is reflected as well in our data
8 request response. This is information that was
9 provided. It clearly is not reflective of serving
10 all of the customers in the customer class. It's
11 regarding serving --

12 MR. TOWNSEND: 45 out of the 56.

13 MR. ROONEY: -- out of 57 customers.

14 A, it's not all the assets related to
15 the customer class. And, B, it's not the entire
16 customer class. And, C, this reflects assets
17 served at a point in time and costs at a point in
18 time.

19 JUDGE SAINSOT: Okay, with that duly noted, your
20 objection is overruled.

21 BY MR. TOWNSEND:

22 Q. So how would you go about determining from

1 the information in REACT Cross-Exhibit 25
2 Confidential what assets are single-phase versus
3 two-phase that are used to provide service to the
4 extra-large load customer class under Rider NS?

5 **A.** I have to go line by line and see if it is
6 a single-phase piece of equipment or a two-phase
7 piece of equipment or a three-phase piece of
8 equipment, but doing that for any one class is
9 inappropriate to determine what they don't use
10 because, as we tried to demonstrate in my Exhibit
11 49.5 other customers can claim they don't use other
12 assets, and it's a tug of war between who's using
13 what at what point in time at what point in the
14 system. It's an exercise in futility.

15 JUDGE SAINSOT: For the record, Mr. Alongi,
16 we're not going to make you go line by line.

17 THE WITNESS: Thank you.

18 MR. TOWNSEND: Your Honor, I note for the record
19 our witness has gone line by line and that is what
20 is contained within the offer of proof.

21 MR. ROONEY: And there is no evidence in the
22 record. There is an offer of proof to which, quite

1 honesty, the Company is considering whether or not
2 it may make a filing, but it's not in the evidence
3 right now, your Honor.

4 JUDGE SAINSOT: I understand. That's why it's an
5 offer of proof.

6 BY MR. TOWNSEND:

7 Q. How would you go about determining from the
8 information provided in REACT Cross-Exhibit 25
9 Confidential whether the extra-large load class
10 customers were served by 4 kV transformers under
11 Rider NS?

12 A. You'd have to take a look again line by
13 line of all the transformer entries to determine
14 what the source size voltage of the transformer is
15 or in some cases, as I see on the first line
16 listed, the transformer is a -- I'll call it 12 kV
17 to 4 kV transformer, so that customer is served by
18 4 kV.

19 Q. From a 12 kV transformer?

20 A. From a 12 kV transformer.

21 But you have to look at line by line
22 every transformer in this stack of papers, which is

1 two-sided, to determine what those transformers are
2 on the source side of the transformer and you
3 really need to look at what they are on the load
4 side as well for purposes of the primary voltage
5 delivery class whether they should be included in
6 that class.

7 Q. You see on the first page, about halfway
8 down, there are three lines that begin 1-15?

9 A. Yes.

10 Q. Can you describe what those three lines
11 are.

12 A. Those are three single-phase 15 kVA
13 conventional overhead transformers, 7,620 volts to
14 120/240 volt phase to neutral. And they're
15 probably connected in a closed delta configuration
16 to provide three-phase service, but you can't tell
17 that from looking at this.

18 It could be three single-phased
19 transformers or three-single phase points of
20 service located at different points of service on
21 the customer's premises. It could be one single
22 phase -- well, no, strike that -- because this is

1 just assigned one transformer number, so that's a
2 three-phase cluster of kVA single-phase
3 transformers.

4 Q. The way that you determine whether or not
5 it's three-phase is to look to see whether the
6 transformer number is the same?

7 A. Right. I'm assuming it's the same because
8 it's redacted, and they followed the redacted
9 transformer number.

10 Q. And the line that begins "1-25 AVA," that
11 would be a single-phase transformer, correct?

12 A. That's correct.

13 Q. And you could go through this entire
14 response to determine what percent of the capacity
15 of the assets detailed in REACT Cross-Exhibit 25
16 Confidential are a single-phase versus two-phase,
17 correct?

18 A. I could, but I see no purpose in doing so.

19 Q. Would you agree that although ComEd is
20 allocated the extra-large load customer class, a
21 portion of single- and two-phase assets in 4 kV
22 transformers is not provided a specific asset base

1 support for that allocation?

2 **A.** It's allocated based on coincident peak and
3 non-coincident peak for their use of the system,
4 not in terms of assets.

5 **Q.** You know that REACT is suggesting that
6 ComEd undertake a survey to identify the assets
7 used to serve the extra-large load customer class,
8 right?

9 **A.** That's my understanding that they would
10 like ComEd to perform a customer-by-customer
11 investigation of what assets serve each and every
12 customer in that class, yes.

13 **Q.** We'll talk about your characterization of
14 that in just a moment.

15 But in your rate design surrebuttal
16 testimony, you criticize the concept of the survey
17 on two grounds, correct? Lines 462 to 517 of your
18 surrebuttal testimony, the two grounds that you
19 identify are, one, that it would be very complex;
20 and, two, that it would provide one-sided results.

21 Does that accurately reflect your basic
22 points?

1 **A.** To sum it up, it would be very complex. It
2 would be inequitable because if do you it for one
3 class, you should do it for all classes.

4 And it would be controversial because
5 it's the classic tug of war between customer
6 classes on who is using what.

7 And, again, if I go back to my Exhibit
8 49.5, there are single-phase customers that can
9 argue, I use one phase of the three-phase circuit,
10 I don't use all three phases, why should I pay.

11 There are customers on the main line
12 that don't use any taps, whether they be secondary
13 or primary, they can argue they don't use any of
14 the taps, single-phase, two-phase, three-phase,
15 whatever.

16 They can even argue their usage should
17 be determined based on their location on these
18 circuits and we have 6,400 primary circuits. It's
19 ridiculous.

20 **Q.** So did you add any additional points there,
21 or are the two general points that it would be very
22 complex and that it would produce one-sided

1 results? Is there a third point?

2 A. It's controversial.

3 Q. It's controversial?

4 A. Yes.

5 Q. You would agree that your current method of

6 allocating costs has been subject to controversy in

7 the 2007 rate case, the Special Investigation

8 Proceeding, and in this proceeding, correct?

9 A. It was highly debated, yes.

10 Q. You wouldn't say it's controversial?

11 A. The primary/secondary?

12 Q. The entire allocation of cost question.

13 A. It's a subject of this litigation, so yes,

14 it's controversial.

15 Q. Now, in your rate design rebuttal, and

16 actually just earlier, you argued that REACT was

17 advocating for individualized cost-of-service

18 studies, right?

19 A. That's my understanding of what's being

20 requested. If you need to do an asset-by-asset

21 evaluation for a customer class, you need to do an

22 asset-by-asset allocation of all the customers in

1 that class.

2 **Q.** Are you aware that Mr. Terhune specifically
3 explained seeking individualized cost-of-service in
4 his rebuttal testimony?

5 **A.** I understand that's what he said, yes. I
6 don't believe that's what it would require.

7 **Q.** And Mr. Terhune said that he made no such
8 recommendation in his direct testimony and he makes
9 no recommendation in his rebuttal testimony, but
10 what he does recommend is that the Commission
11 ensure that the ComEd's rates are actually cost
12 based, correct?

13 **A.** That's probably a reasonable
14 characterization of what Mr. Terhune said.

15 JUDGE SAINSOT: Mr. Alongi, you could really
16 help us all out here by just answering "yes" or
17 "no" when it's a "yes" or "no" question. Thanks.

18 BY MR. TOWNSEND:

19 **Q.** Now, one of the criticisms about conducting
20 the survey that REACT is advocating is that it's
21 too complex, right? We established that?

22 **A.** Yes.

1 **Q.** Now, for the record, ComEd made the same
2 argument with regards to the primary/secondary
3 study in its 2007 rate case, correct?

4 **A.** I'm not sure this is a "yes" or "no"
5 answer, because we did argue that the data was not
6 identified in our uniform system of accounts in a
7 way that lends itself to separating cost by primary
8 or secondary. So, yes, it was complex.

9 **Q.** But the Commission, nonetheless, compelled
10 ComEd to undertake the primary/secondary study,
11 correct?

12 **A.** Yes.

13 **Q.** And ComEd has raised numerous issues
14 regarding the difficulty of pinpointing the exact
15 facilities used to serve a customer given the
16 different configurations of the system to
17 accommodate outages and maintenance, right?

18 **A.** Well, we know where the facilities are
19 located, but because of the reconfiguration, the
20 source of feed to those facilities changes.

21 **Q.** ComEd would only have to look at a subset
22 of its 6,400 circuits in order to determine which

1 assets serve the extra-large load customer class,
2 right?

3 **A.** A large subset, yes.

4 **Q.** In fact, ComEd stated that roughly 252
5 circuits served the extra-large load customer
6 class, right?

7 **A.** Right.

8 And we identified another 558, as I
9 recall, that are directly interconnected and used
10 uncertain circumstances to serve those same
11 customers, and it would be reasonable to look at
12 those feeders as well, because they are used by
13 those customers.

14 **Q.** So less than one-sixth of the circuits,
15 correct?

16 **A.** 810 circuits.

17 **Q.** Has any party suggested to the Commission
18 that sampling techniques are appropriate for
19 identifying assets used to serve a particular
20 class?

21 **A.** There were some direction to take a look at
22 how sampling could be used in the rate design

1 investigation order, yes.

2 Q. In fact, the Commission -- do you have
3 before you that excerpt from the Commission's final
4 order in that case, REACT Cross-Exhibit 4?

5 A. Yes.

6 Q. And in that order, the Commission
7 repeatedly suggests that sampling would be
8 appropriate, right? The top of Page 138 in the
9 paragraph we talked about before, the middle of
10 Page 38, the Commission talks about sampling. And
11 then again on Page 40 in the paragraph that we
12 talked about as well in the first full paragraph,
13 the Commission discusses using sampling methods,
14 right?

15 MR. ROONEY: Objection. Sampling methods that
16 are described, he's reviewing the excerpts here
17 that relate to the primary/secondary analysis, not
18 the requests for customer-specific information.

19 MR. TOWNSEND: I'd agree with that. There is no
20 issue there.

21 JUDGE SAINSOT: So noted.

22 BY MR. TOWNSEND:

1 **Q.** And the sampling techniques could be used
2 to identify the assets used to serve the entire
3 customer class, correct?

4 **A.** The sampling techniques that we use for the
5 primary/secondary analysis included taking a sample
6 of poles, 50 feet and under in height, and
7 determining by that sampling how many poles carried
8 only primary versus how many poles carried primary
9 and secondary.

10 And we sampled conduit, we used our
11 CEGIS System to determine how much secondary is in
12 conduit in the City of Chicago because the CEGIS
13 System, which is the ComEd Geographical Information
14 System, has secondary underground and secondary
15 overhead map of the City, but is not completely
16 mapped outside the City. So we used the
17 information that we had from the inside the City
18 and applied that to areas outside the City where we
19 knew we had secondary in conduit, so that was a
20 form of sampling that I believe we employed.

21 When it came to developing data for the
22 primary-voltage delivery class, we extracted data

1 from our various systems. I think in this case, it
2 might have been Customer Information System to
3 determine which customers were served using primary
4 meters, which measure electricity delivered at that
5 point at a primary-voltage and identified a subset
6 of 1,350 accounts that were potential
7 primary-voltage customers, and then we conducted
8 further analyses of those accounts to ensure that
9 they were permanent-voltage customers, so I guess
10 in a sense, that was a sampling technique.

11 Q. And the sampling was used to determine the
12 assets used to serve a customer class rather than
13 individual customers, right?

14 A. It was, in one sense, the sampling was used
15 to determine for the primary/secondary study
16 whether the assets were used in relation to
17 providing service at a secondary voltage versus
18 service at a primary voltage or if they were shared
19 assets in bulk, I guess I would say. And for the
20 primary voltage delivery class, it was simply --

21 MR. TOWNSEND: I'm sorry to interrupt, your
22 Honor, but I really did ask a "yes" or "no"

1 question. I know that the estimates for
2 cross-examination are meant to mean something, but
3 when I try to estimate those times, I anticipate
4 when I ask a "yes" or "no" question that I can get
5 a "yes" or "no" answer.

6 So I move to strike that answer, and I
7 request that the witness be directed to answer the
8 question that was asked.

9 JUDGE DOLAN: Mr. Rooney?

10 MR. ROONEY: Well, to the extent the witness can
11 only answer it "yes" or "no," but to the extent he
12 can't for reasons, he should have the opportunity
13 to respond.

14 JUDGE DOLAN: Mr. Alongi, please again, just try
15 to answer that question asked of you.

16 If Mr. Townsend wants you to elaborate,
17 believe me he'll ask you.

18 JUDGE SAINSBOT: You will always have a chance on
19 redirect.

20 THE WITNESS: Could you repeat the question.

21 BY MR. TOWNSEND:

22 Q. The sampling was used to determine the

1 assets used to serve a customer class, rather than
2 individual customers, correct?

3 A. No.

4 Q. The sampling was used to determine
5 individual circumstances, but then the individual
6 circumstances were used to establish rates for the
7 entire customer class, correct?

8 A. Yes.

9 Q. And, likewise, REACT is suggesting using
10 sampling techniques as part of its recommendation
11 for a survey of the actual facilities used to serve
12 the extra-large load customer plants, right?

13 A. Yes.

14 Q. Didn't REACT also state that it's open to
15 simplifying assumptions to account for information
16 that is not directly measurable or available?

17 A. I don't recall that specifically, but I
18 don't dispute it.

19 Q. Would you agree using simplifying
20 assumptions would mitigate the problems that you
21 have identified in trying to pinpoint exact
22 facilities to serve a particular customer?

1 **A.** No.

2 **Q.** Did you use any simplifying assumptions in
3 developing the primary customer class?

4 **A.** I'm sure there were some.

5 **Q.** And, actually, we talked about some of
6 those in the response that you provided to Staff in
7 Data Request PL 3.01, I believe or, perhaps, it was
8 2.08, correct?

9 **A.** Without seeing the data request.

10 **Q.** Well, you actually did see the data
11 request. That was REACT Cross-Exhibit 24?

12 THE WITNESS: I don't have the exhibits marked.

13 MR. ROONEY: It's PL 2.08.

14 JUDGE SAINSOT: Do you have it, Mr. Alongi?

15 THE WITNESS: Yes, I have it.

16 JUDGE SAINSOT: Good.

17 BY MR. TOWNSEND:

18 **Q.** ComEd did use simplifying assumptions in
19 setting the rates for the primary customer class,
20 right?

21 **A.** Well, maybe I'm confused, but this data
22 request asked to explain in detail how the Company

1 determined the cost for service for standard
2 service to be the same for extra-large load,
3 high-voltage, both above and below 10,000 kilowatts
4 and railroad. I guess, I'm not seeing anything
5 about the primary-voltage delivery class.

6 Q. This actually applies to your embedded
7 cost-of-service study, correct, your primary
8 position in the case, right?

9 A. Yes.

10 Q. And in that primary position in the case,
11 you made simplifying assumptions, correct?

12 A. Yes.

13 Q. Can you turn to your rate design rebuttal
14 to Page 32, Lines 27 -- 727 through 33 and let me
15 know when you're there.

16 JUDGE SAINSOT: Page 32?

17 MR. TOWNSEND: Page 32.

18 JUDGE SAINSOT: For the record, that's ComEd
19 Exhibit 73.0 Second Revised.

20 Do you have a lot more questions,
21 Mr. Townsend?

22 MR. TOWNSEND: Unfortunately, we still have a

1 little bit to go yet.

2 MR. ROONEY: Did you say rebuttal testimony or
3 surrebuttal rebuttal testimony?

4 MR. TOWNSEND: Rebuttal testimony.

5 MR. ROONEY: That's 49.0 revised, your Honor.

6 BY MR. TOWNSEND:

7 Q. In your rate design rebuttal -- I'm sorry,
8 Mr. Alongi. Do you have that yet?

9 A. Yes.

10 Q. In your rate design rebuttal, you discuss
11 the procedure that ComEd used for its determination
12 for the primary/secondary split, correct?

13 A. Yes, I would agree.

14 Q. And you discuss the use of CEGIS,
15 Geographical Information System, as well as other
16 map resources of ComEd, right?

17 A. Yes.

18 Q. And in your testimony you emphasize the
19 accuracy of ComEd's mapping systems for
20 occupational engineering and employee safety,
21 right?

22 A. Right. I described the planned designed

1 build and map process we use at ComEd.

2 Q. ComEd has maps that describe all 6,400
3 circuits in detail, right?

4 A. There is a number of different types of
5 maps, as I understand it, yes.

6 Q. And ComEd's map resources include paper
7 maps in CEGIS that show how many phases are present
8 in a particular geographic primary distribution
9 circuit segment?

10 A. Yes.

11 Q. For the same sampling of circuits, do the
12 ComEd map resources show which phases are present
13 in a particular primary distribution segment?

14 A. Such as Phase A, B and C?

15 Q. Yes.

16 A. Yes.

17 Q. For the same sampling circuits that ComEd
18 map resources show where transformers are attached
19 to the phases, correct?

20 A. Yes, that's correct.

21 Q. And to which phases they're attached,
22 right?

1 **A.** That's correct.

2 **Q.** Given any transformer identified on ComEd
3 maps, each transformer has a unique identification,
4 right?

5 **A.** I believe there's certain electric service
6 stations that may not have a transformer number
7 assigned, but they are identified by the electric
8 service station number, but by and large, every
9 transformer has a transformer number associated
10 with it.

11 **Q.** ComEd is able to, using its map resources,
12 customer information, and billing resources
13 identify the customer's connected to that uniquely
14 identified transformer, correct?

15 **A.** Yes.

16 **Q.** For demand metered customers, can ComEd
17 determine for any given transformer recently
18 recorded non-coincident demands of each of the
19 demand-metered customers?

20 **A.** We record the demand use for billing. It
21 may be depending on the type of meter, it may be a
22 recording meter where you can tell if the demand

1 was set in the demand peak period or whether it was
2 set off peak. And if it was set off peak, it's not
3 used for billing.

4 But you can determine based upon the
5 meter reading if it's a meter point of service what
6 the customer's peak demand was. I guess I'm not
7 sure I would describe it as a non-coincident peak
8 demand for an individual customer. I'm not really
9 sure what that means.

10 Q. You would be able to have for each customer
11 a recorded peak demand?

12 A. Again, depending on the type of meter there
13 is a demand that's registered and billed on the
14 account, yes.

15 Q. For the customers connected to the
16 transformer, can ComEd determine which customers
17 are served with which single-phase versus
18 three-phase meters?

19 A. If the meter's on their account, it's
20 assigned to that account, so we can certainly tell
21 which customers are served, yes.

22 Q. In fact, ComEd has already identified that

1 around 10 percent of the meters for the extra-large
2 load customer class are single-phased secondary
3 meters, correct?

4 **A.** Yes.

5 **Q.** In addition ComEd has identified the single
6 voltages -- strike that.

7 ComEd has identified the service
8 voltages for virtually all of the meters for the
9 extra-large load customer class, correct?

10 **A.** Could I ask what you mean by "service
11 voltage"?

12 **Q.** The primary circuit voltages, ComEd has
13 identified the primary circuit voltages for
14 virtually all of the meters for the extra-large
15 load customer class, correct?

16 **A.** We determine the primary circuit voltages
17 for those customers we identified as being
18 potentially eligible for the primary-voltage
19 delivery class of which a large number were from
20 the extra-large load class, but many were from
21 other classes as well.

22 **Q.** Could ComEd ascertain which of any of those

1 meters are served by Rider NS-funded assets?

2 **A.** By looking at those documents that were
3 provided in the response to that earlier data
4 request for the extra-large load customers, it
5 would give an indication whether the assets on the
6 property were standard or nonstandard, but it does
7 not indicate whether the assets off the property
8 primary-voltage assets were standard or
9 nonstandard, so I guess the answer is no.

10 Sorry for the lengthy "no."

11 MR. TOWNSEND: I'll hand you what is being
12 marked as REACT Cross-Exhibit 27, which is ComEd's
13 response to REACT Data Request 9.01.

14 (Whereupon, REACT Cross-Exhibit
15 No. 27 was marked for
16 identification.)

17 BY MR. TOWNSEND:

18 **Q.** Have you had a chance to review that?

19 **A.** I glanced at it. I'm somewhat familiar
20 with it because it's relatively recent.

21 **Q.** And in Subpart C, ComEd was asked to please
22 fully describe in detail the process ComEd used to

1 assemble information that was previously provided
2 in REACT Data Request 8.03, Attachment 1, correct?

3 **A.** Yes.

4 **Q.** And in the answer, it states that compare
5 the table attached to ComEd's Data Request Response
6 to REACT 8.3, labeled as REACT 8.03, underscore
7 confidential. ComEd used a list of account numbers
8 for the customers taking service during 2009-test
9 year that was classified in the extra-large load
10 delivery class or in the over-10-megawatt subclass
11 with the high-voltage delivery class to perform a
12 query in the SIMS billing system to extract a list
13 of the transformers and the circuit numbers, the
14 primary circuit, that serves the meter points of
15 such customers.

16 Second, ComEd performed a query in its
17 CEGIS Mapping System to determine what other
18 circuits are interconnected with the primary
19 circuits to provide support service to the primary
20 circuits, correct?

21 **A.** That's what it says, yes.

22 **Q.** First of all, with regards to REACT 8.03

1 Attachment 1, does that provide a list of circuits
2 used to provide delivery to a customer, correct?

3 A. I believe there was the list of circuits
4 used to provide service to the extra-large load
5 customers, yes.

6 Q. Now, this answer shows that ComEd can
7 determine which transformers a customer's
8 immediately connected to, correct?

9 A. That would be the list of all the required
10 transformers on this list. It tells you nothing
11 about whether they're standard or nonstandard.
12 Nonstandard is a differential between standard and
13 required.

14 Q. And that would be true for any customer of
15 any customer class, right?

16 A. Correct.

17 Q. And from there, ComEd can determine which
18 circuits those transformers connect to, right?

19 A. Correct.

20 Q. And using that information, ComEd can
21 access maps of those circuits, correct?

22 A. Correct, at whatever configuration those

1 circuits are at that time that we looked, yes.

2 Q. Now, another one of the criticisms that you
3 have of REACT's proposal to survey the extra-large
4 load over-10-megawatt customer class assets is that
5 analysis would be one-sided, right?

6 A. Right.

7 Q. With regards to that criticism, you stated
8 that a study of assets used to serve -- strike
9 that.

10 Is it fair to say that every asset that
11 ComEd has in its rate based is used by somebody, a
12 member of at least one customer class uses the
13 asset?

14 A. Yes.

15 Q. If we picked an individual class, say the
16 extra-large load customer class, if an asset were
17 not used by a member of that class, ComEd
18 presumably would be able to show it was used by a
19 member of another class, right?

20 A. Yes.

21 Q. The study that REACT has proposed may find
22 that certain costs that are currently allocated to

1 the over-10-megawatt customer classes are not
2 related to the assets used to serve those
3 customers, right?

4 MR. ROONEY: Objection; asking the witness to
5 speculate as to what may or may not be found in an
6 analysis that is a REACT analysis, and not a ComEd
7 analysis.

8 MR. TOWNSEND: It's, actually, the subject of
9 his testimony. He talks about what the result of
10 this study would be.

11 JUDGE DOLAN: Where is that in his testimony?
12 Do you know offhand?

13 MR. TOWNSEND: In surrebuttal, Lines 471, 482,
14 486, 487. I mean, that's where he's talking about
15 the results would be one-sided, that the results
16 could be that the study finds that certain assets
17 shouldn't be allocated to the over-10-megawatt
18 customer classes.

19 MR. ROONEY: On his surrebuttal or rebuttal
20 testimony?

21 MR. TOWNSEND: Surrebuttal on ComEd Exhibit 73.

22 MR. ROONEY: I'll withdraw the objection, your

1 Honor.

2 JUDGE DOLAN: Mr. Alongi, you can answer it
3 please.

4 THE WITNESS: Please repeat the question

5 BY MR. TOWNSEND:

6 Q. So one result of the study that REACT
7 advocates is -- one result that could occur is that
8 we could find that certain costs that are currently
9 allocated to the over-10-megawatt customers are not
10 related to the assets used to serve those
11 customers, right?

12 A. Correct.

13 Q. In which case the logical conclusion would
14 be to exclude those costs from the over-10-megawatt
15 customers revenue requirement underneath that
16 study, right?

17 A. That's correct. But, again, it's one-sided
18 because if you look at the other customer classes,
19 there may be assets allocated from those classes to
20 the extra-large load class.

21 Q. Well, it's also possible that the study
22 will identify additional assets particularly

1 low-voltage assets that ComEd uses to serve the
2 over-10-megawatt customer classes, right?

3 **A.** That's entirely possible.

4 **Q.** In which case the logical conclusion would
5 be to include those costs in the over-10-megawatt
6 customers revenue requirement, right?

7 **A.** If you do a bottoms-up approach, that could
8 be the result, yes.

9 **Q.** Now, for purposes of ComEd's
10 primary/secondary split analysis, ComEd has
11 presented a study of assets used to serve the
12 customers that ComEd classifies as primary
13 customers, correct?

14 **A.** I don't know that I would characterize it
15 as a study of assets, but we did identify which
16 customers were served at primary voltages.

17 **Q.** And you allocated assets based upon that
18 analysis, correct?

19 **A.** Correct, we had three categories of
20 allocation within that analysis: Secondary, shared
21 and primary transformers.

22 **Q.** And ComEd has not presented a similar study

1 for all other classes to allocate assets, correct?

2 **A.** That study included all customers that were
3 served at primary-voltage, which included a number
4 of customers from several different classes, so I
5 would say no.

6 **Q.** Well, the only customer class that you've
7 sought to specifically identify the assets for is
8 the primary asset, the primary customer class,
9 correct?

10 **A.** Right, but we had to evaluate customers in
11 existing classes.

12 MR. ROONEY: Your Honor, if I could, Mr. Alongi
13 has been on the stand for about two-and-a-quarter
14 hours now. I don't know if he would like a break
15 at this point.

16 THE WITNESS: No, I just want to get this over
17 with.

18 (Laughter.)

19 THE WITNESS: I'm fine.

20 BY MR. TOWNSEND:

21 **Q.** In this case, is it fair to say that
22 although ComEd presents several different embedded

1 cost-of-service studies it is recommending that the
2 Commission approve one in particular?

3 A. Yes.

4 Q. However, in the alternative, if the
5 Commission seeks to have a separate class
6 designation for primary customers, ComEd has a
7 preferred alternative matching that description,
8 correct?

9 A. That's correct.

10 Q. ComEd's preferred rate design, in other
11 words, is the rate design based upon ComEd's
12 preferred embedded cost-of-service study?

13 A. What we call the preferred exemplar, yes.

14 Q. And ComEd's preferred alternative is
15 reflected in ComEd Exhibit 49.2; is that right?

16 A. The latest set -- are you talking about the
17 embedded cost-of-service study?

18 Q. Yes.

19 A. I think the preferred exemplar embedded
20 cost-of-service study, if I remember correctly, is
21 ComEd Exhibit 75.2 and the preferred exemplar rate
22 design that goes along with that is ComEd

1 Exhibit 73.2.

2 Q. Is it fair to say that the preferred and
3 alternative rate designs in ComEd Exhibit 73.1 and
4 73.2 are mere updates to ComEd Exhibits 49.1 and
5 49.2?

6 A. Yes. Yes, there were some modifications
7 made for distribution losses, if I recall. But
8 there may have been other changes, but minor.

9 Q. Is it fair to say that in the case of
10 either the preferred or the preferred alternative
11 rate design, the over-10-megawatt customers are
12 going to be facing big rate increases?

13 A. I don't agreed with that.

14 Q. ComEd presented a study of the impact of
15 its proposed rates on some customer classes, right?

16 A. I thought we showed impacts on all the
17 customer classes. But, yes, we showed impact.

18 Q. Well, if you turn in your direct testimony
19 at Lines 443 to 44. Let me know when you're there.

20 A. Okay.

21 Q. There you're discussing the bill impacts of
22 the proposed rate design, right?

1 **A.** Yes.

2 **Q.** And you did not provide analysis of the
3 bill impact for the over-10-megawatt customers,
4 correct, in your --

5 **A.** I'm looking.

6 **Q.** Perhaps, I can help you. If you turn to
7 Line 489 of your direct testimony, you state that
8 ComEd does not generally estimate bill impacts as a
9 percentage of total electricity bill for the larger
10 nonresidential customer classes because most of
11 these customers are taking electric supply service
12 from retail electric suppliers or RESs. The price
13 of which are not known to ComEd because the price
14 of ComEd's default supply service to such customers
15 varies hourly, right?

16 **A.** Yes.

17 **Q.** Now, ComEd could have estimated the impact
18 of the proposed increase in delivery services
19 charges on the over-10-megawatt customer classes,
20 right?

21 **A.** I thought -- I am looking for the total
22 that I thought we had the overall average set per

1 kilowatt hour by class. And I thought that
2 showed -- yes, on Table D6 on Page 23, it shows the
3 extra-large load class increase at that point of
4 the proceeding being 33.3 percent.

5 Q. You did not perform an impact in terms of
6 the actual dollar impact on the customers, how much
7 more money the customers would pay at the end of
8 the day at the bottom of the bill, did you?

9 A. I have done some additional analysis to
10 prepare for this cross-examination, yes.

11 Q. Have you provided that to parties?

12 A. No.

13 Q. You're aware that REACT Witness Fults did
14 calculate the customer impact of distribution rate
15 increases, correct?

16 A. Yes, I am.

17 Q. And he presented updated tables in his
18 rebuttal testimony, correct?

19 A. I believe that's where it appears, yes.

20 Q. Would you agree that we're talking about
21 increases in the amounts of hundreds of thousands
22 and millions of dollars to these customers on an

1 annual basis?

2 **A.** If you're referring to Mr. Fults' Table 1
3 from REACT Exhibit 4.0 in this docket --

4 **Q.** No, actually, I'm not.

5 I'm just asking you whether you'd agree
6 that the increases for the customers in the
7 extra-large load customer class would be in the
8 hundreds of thousands or millions of dollars?

9 **A.** I would agree that it could be in the
10 hundreds of thousands of dollars, but I disagree it
11 would be in the millions of dollars.

12 **Q.** Even if those customers were moved to what
13 you believe is the full-cost-based rates as
14 reflected in ComEd's embedded cost-of-service
15 study? Are you suggesting that that increase would
16 be less than a million dollars for the largest
17 customers in ComEd's extra-large load customer
18 class?

19 **A.** I haven't done that analysis, but that's
20 not our proposal in this case.

21 **Q.** You don't know what that impact would be if
22 the full increase -- strike that.

1 You would agree that the increases that
2 ComEd is proposing are annual increases that would
3 remain in effect each successive year, right?

4 **A.** At least until the next rate case.

5 **Q.** When does ComEd intend to file its next
6 rate case?

7 **A.** I have no idea.

8 MR. TOWNSEND: I have no further questions.

9 JUDGE DOLAN: Okay. I take it you want to take
10 a break and talk with your client?

11 MR. GOWER: I have a question. One question
12 before we take a break, if you want just to follow
13 up on the questioning done here.

14 MR. ROONEY: Okay.

15 CROSS EXAMINATION

16 BY

17 MR. GOWER:

18 **Q.** Mr. Alongi, remind me. The ComEd
19 distribution system, it delivers electricity at
20 three distinct voltages; is that correct?

21 **A.** A primary distribution system has
22 components that operate at 4 kV, 12 kV and 34 kV,

1 yes.

2 MR. GOWER: Thank you. That's all I have.

3 JUDGE SAINSBOT: All right. We will take a break.

4 MR. ROONEY: Thank you.

5 (Whereupon, a brief

6 recess was taken.)

7 REDIRECT EXAMINATION

8 BY

9 MR. ROONEY:

10 Q. Mr. Alongi, do you recall questions from

11 Ms. Lusson regarding customer usage?

12 A. Yes.

13 Q. Does Commonwealth Edison allocate costs

14 based on customer usage?

15 A. ComEd allocates its distribution costs

16 based upon demands.

17 Q. And why is that?

18 A. We build our system based upon the demands

19 that customers place on it.

20 Q. So in that instance, does the end use of

21 the electricity matter for purposes of allocation

22 of costs?

1 **A.** Only for the purpose of allocating the
2 Illinois electricity distribution costs.

3 **Q.** Now, Mr. Alongi, at the beginning of your
4 cross-examination by Mr. Townsend, you spoke about
5 the members of REACT.

6 Do you recall that?

7 **A.** Yes.

8 **Q.** And pursuant to your review, how many
9 members of REACT, without naming names, are members
10 of the actual extra-large load class?

11 **A.** Four --

12 MR. TOWNSEND: Objection. This is ground that's
13 been tread. And I didn't object to his lengthy
14 response in response to that question, so I will
15 object.

16 JUDGE SAINSOT: What is the relevance?

17 MR. ROONEY: It's in the record.

18 MR. TOWNSEND: Yeah, he provided a pretty long
19 colloquy.

20 MR. ROONEY: All right. Then let me move on. BY

21 MR. ROONEY:

22 **Q.** Mr. Alongi, you were asked a number of

1 questions about ComEd's definition of "standard
2 service."

3 Do you recall that?

4 A. Yes.

5 Q. And there you testified that "standard
6 service" definition is found in ComEd's General
7 Terms and Conditions; is that correct?

8 A. That's correct.

9 Q. What customers does that definition apply
10 to?

11 A. It's generally applicable, as all our
12 General Terms and Conditions are, it applies to all
13 customers of ComEd.

14 Q. Does that mean all customers receive the
15 same standard facilities in the provision of
16 distribution service?

17 A. No.

18 Q. How does ComEd determine what is standard
19 then on a customer basis?

20 A. It evaluates the load of the customer, the
21 location of the customer, the voltage that the
22 customer requires. It's very customer-specific.

1 Q. How does the definition of "standard
2 service" assist in determining what facilities are
3 actually used to serve that individual customer?

4 A. Standard facilities?

5 Q. Yes.

6 A. It doesn't.

7 Q. With regard to REACT Cross-Exhibit 25
8 Confidential, which is the Company's response to
9 the ALJ's ruling, I'm correct that that information
10 relates to the facilities provided pursuant to
11 Rider NS, correct?

12 A. Correct.

13 Q. And those facilities are paid for by a
14 specific customer?

15 A. That's correct, from the point in time that
16 that request was made, the payment was made.

17 Q. And how would the use of the information,
18 these NS facilities identified in REACT
19 Cross-Exhibit 25 Confidential, serve to assist in
20 determining what standard facilities are actually
21 used to serve an individual customer?

22 I'm sorry. What facilities would be

1 used to serve an individual customer?

2 **A.** It has no bearing on -- the standard has no
3 bearing on what facilities are actually used.

4 **Q.** Mr. Alongi, you were asked a number of
5 questions also by Mr. Townsend regarding the
6 possibility of the identification of facilities
7 used to serve individual customers.

8 Do you recall those lines of questions?

9 **A.** Yes.

10 **Q.** Would there be any other information that
11 would be necessary to pursue the study that REACT
12 was seeking?

13 **A.** No, because this was all about cost
14 allocation and we have to determine the cost of
15 those assets.

16 MR. ROONEY: Thank you. No further questions.

17 JUDGE DOLAN: Any recross?

18 MR. TOWNSEND: Yes.

19 RE CROSS EXAMINATION

20 BY

21 MR. TOWNSEND:

22 **Q.** Mr. Alongi, in responding to the questions

1 about the documents contained in REACT
2 Cross-Exhibit 25 Confidential, you indicated that
3 those documents don't indicate what standard
4 facilities are used to serve the customers
5 identified there, correct?

6 MR. ROONEY: Actually, I think the question was,
7 What facilities were used to serve the customer.

8 MR. TOWNSEND: I think that's what I just said.

9 MR. ROONEY: I think you said "standard
10 facilities."

11 MR. TOWNSEND: I think you actually did when you
12 first asked that question, as well.

13 BY MR. TOWNSEND:

14 Q. The information -- Mr. Rooney asked you
15 about whether the information contained in REACT
16 Cross-Exhibit 25 Confidential contains information
17 to assist in understanding what facilities are used
18 to serve individual customers?

19 A. Those documents show what facilities are
20 located on or near the customer's property. It
21 shows nothing about how electricity is delivered to
22 those points of service.

1 **Q.** Does ComEd have information with regards to
2 how electricity is delivered to those points of
3 service?

4 **A.** I think we talked about the CEGIS System
5 and other maps, and we may have, yes.

6 **Q.** And does ComEd have documents that reflect
7 both the standard facilities that are used to serve
8 the individual customers as well as the proposed
9 facilities that would be constructed underneath
10 Rider NS?

11 **A.** Are you talking about a request for NS
12 service?

13 **Q.** When a customer requests service underneath
14 Rider NS, there are certain documents that are
15 produced, correct?

16 **A.** The Rider NS contract, if the customer
17 agrees to pay whatever the contribution in native
18 construction is, if there's a nonstandard cost that
19 needs to be paid, there are, I would guess,
20 engineering documents that determine what that
21 payment should be. Those documents, I think, are
22 probably kept with the engineering folder, maybe

1 archived and -- you know, there is a retention
2 period for those kind of documents and they may no
3 longer exist.

4 Q. And one of the documents that's generated
5 is commonly referred to in ComEd as a Service
6 Estimate Request, correct?

7 MR. ROONEY: Objection, your Honors. This is
8 going beyond the scope of redirect.

9 Redirect simply on this point asked Mr.
10 Alongi to the extent whether he believed that the
11 information provided in this REACT Cross-Exhibit 25
12 would be useful in the determination of what
13 facilities were used to serve an individual
14 customer.

15 MR. TOWNSEND: So this line of questioning is
16 saying, although, perhaps, he believes that
17 information is not contained in these documents,
18 there are documents that do contain that
19 information that ComEd has.

20 MR. ROONEY: I didn't ask him about that on
21 redirect, your Honor.

22 JUDGE SAINSOT: Sustained.

1 BY MR. TOWNSEND:

2 Q. Does ComEd have information that it could
3 use to determine what facilities are used to serve
4 individual customers who have requested Rider NS
5 service?

6 MR. ROONEY: Objection.

7 JUDGE SAINSOT: Sustained.

8 BY MR. TOWNSEND:

9 Q. Does ComEd have any other documents related
10 to extra-large load customer build-outs that have
11 occurred underneath Rider NS?

12 MR. ROONEY: Objection; beyond the scope of
13 redirect.

14 JUDGE SAINSOT: Sustained.

15 BY MR. TOWNSEND:

16 Q. If the documents that Mr. Rooney asked you
17 about do not provide the information, are there
18 other documents that would?

19 MR. ROONEY: Objection.

20 JUDGE SAINSOT: Mr. Townsend, I think you asked
21 the same question about five or six times now. It's
22 the same question.

1 MR. TOWNSEND: It seems -- I'm sorry. I was
2 trying to tie it directly to what Mr. Rooney had
3 asked because that would then be within the scope
4 of recross.

5 JUDGE SAINSOT: Why don't we -- Mr. Rooney, do
6 you remember what you asked? I don't want to have
7 the court reporter go that far back.

8 MR. ROONEY: Certainly.

9 I asked Mr. Alongi whether the NS
10 documents that makeup the response to REACT
11 Cross-Exhibit 25 would be useful in the
12 determination of those facilities used to provide
13 service to individual customers.

14 JUDGE SAINSOT: Okay. So now we are clear what
15 the question is.

16 BY MR. TOWNSEND:

17 **Q.** So the question is if these documents
18 aren't useful for the determination of the assets
19 used to serve those customers, are there other
20 documents that would be useful to determine the
21 assets that are used to serve those customers?

22 JUDGE SAINSOT: Right, and that's outside the

1 scope.

2 MR. ROONEY: Right.

3 BY MR. TOWNSEND:

4 Q. Well, what does determine what assets are
5 used to provide service to those customers?

6 MR. ROONEY: Objection.

7 JUDGE SAINSOT: We are going to allow it in.

8 THE WITNESS: I think I said it before, the
9 customer's load, customer's location on ComEd's
10 system, customer's voltage requirements.

11 If the customer has any what we might
12 call interfering load like arc furnaces that
13 require additional facilities.

14 There is any number of different things
15 to look at in designing service to a customer.

16 BY MR. TOWNSEND:

17 Q. Would those things be reflected in any
18 documents that ComEd has?

19 MR. ROONEY: Objection.

20 JUDGE SAINSOT: You know, I'll allow it, but I'm
21 not going to allow you to conduct discovery by
22 going into further detail as to what does.

1 Discovery is something that is supposed to be done
2 before trial.

3 MR. TOWNSEND: Your Honor, I believe you know we
4 have been diligently trying to get documents from
5 ComEd.

6 I appreciate the ruling. I believe
7 there is a question pending.

8 THE WITNESS: A customer generally provides
9 ComEd what we call a load letter, which includes
10 information about where they're located, what their
11 load is, what voltage they require, if they require
12 service at one or more points, if they have any
13 special equipment, and that's what starts the
14 process.

15 BY MR. TOWNSEND:

16 Q. And where does the process go from there?

17 A. Well, I've been out of engineering for
18 quite some time and there's been some
19 reorganization, but we have a department that's
20 called New Business Department. I assume they take
21 that information, do their field investigation of
22 what is available in the field and they prepare

1 documents as to how to construct what the customers
2 request. I guess, we refer to them as work orders.

3 If the customers -- they would calculate
4 -- if the request is for something that is more
5 than a single point of service than standard
6 service, they would calculate charges for the
7 difference between what is standard and what is
8 required, in that it's provided to the customer in
9 a customer work agreement, which the customer then
10 would acknowledge the cost of work to be performed
11 and authorize the Company to proceed.

12 Q. All right. Prior to the work agreement,
13 does ComEd generate a work request?

14 MR. ROONEY: Objection, your Honor. This is
15 going far afield of what --

16 MR. TOWNSEND: It fills in one section --

17 JUDGE SAINSOT: Sustained. Sustained. The time
18 to get that together was before trial.

19 MR. TOWNSEND: No further questions.

20 JUDGE DOLAN: Thank you, Mr. Alongi.

21 THE WITNESS: Am I excused?

22 JUDGE SAINSOT: You're excused.

1 THE WITNESS: Thank you.

2 MR. TOWNSEND: We move for the admission of
3 REACT Cross-Exhibit 23, which is ComEd's response
4 to REACT Data Request 6.11; REACT Cross-Exhibit 24,
5 which is ComEd's response to Staff Data Request
6 PL 2.08; REACT Exhibit 25 Confidential, which is
7 ComEd's response to the Administrative Law Judges
8 on-the-Record Data Request 1 with attachments; and
9 REACT Cross-Examination Exhibit 26 Confidential,
10 which is a summary of the information contained
11 within REACT Exhibit 6 -- I'm sorry, REACT
12 Cross-Exhibit 25 Confidential and REACT
13 Cross-Exhibit 27, which is ComEd's response to
14 REACT Data Request 9.01.

15 JUDGE SAINSOT: REACT Cross-Exhibits 23 through
16 27; is that correct?

17 MR. TOWNSEND: Correct.

18 MR. ROONEY: We object to REACT
19 Cross-Exhibit 26, as we discussed previously, it's
20 trying to improperly bring this information in
21 through Mr. Alongi.

22 Mr. Alongi testified he never saw it

1 before. It's part of an offer of proof that
2 Mr. Alongi was unaware of. And for the reasons we
3 argued previously, we move that that not be allowed
4 into evidence.

5 MR. TOWNSEND: Your Honor, we believe that it
6 would be helpful for the record to have the summary
7 document for the information contained within REACT
8 Cross-Exhibit 25.

9 JUDGE SAINSOT: There is nothing authenticating
10 the fact that this is even a summary document other
11 than your word as an officer of the court.

12 MR. TOWNSEND: Actually, we do have an affidavit
13 that was attached to the offer of proof as
14 reference. We do have a witness that's generated
15 that document if you would like to offer that
16 testimony.

17 JUDGE SAINSOT: You have it in your offer of
18 proof, don't you?

19 MR. TOWNSEND: It is.

20 JUDGE SAINSOT: That's probably a good place.

21 Sustained.

22 JUDGE DOLAN: So, no objection to 23, 24, 25 and

1 27?

2 MR. ROONEY: That's correct, your Honor.

3 JUDGE SAINSOT: Okay. Hearing none, REACT
4 Exhibits 23 through 27 except -- these are all
5 Cross-Exhibits, REACT Cross-Exhibit 25 are admitted
6 into evidence.

7 JUDGE DOLAN: No, no, no. 26.

8 JUDGE SAINSOT: I'm looking at 26 and I say 25.

9 JUDGE DOLAN: 25 remains confidential?

10 JUDGE SAINSOT: Right.

11 (Whereupon, REACT Cross-Exhibit
12 Nos. 23, 24, 25 and 27 were
13 admitted into evidence.)

14 JUDGE SAINSOT: ComEd, you want to call your
15 next witness please.

16 MR. ROONEY: Our next witness, your Honor, is
17 Mr. Robert Garcia.

18 JUDGE DOLAN: Mr. Balough, are you ready to go?

19 MR. BALOUGH: Your Honors, at this time on
20 behalf of the CTA, I have several exhibits.

21 The first one is -- I'll give them by
22 witness. The first is the testimony of James

1 Harper, his direct testimony is marked CTA Exhibit
2 1.0 with Exhibits 1.01, 1.02 and 1.03.

3 His rebuttal testimony is marked CTA
4 Exhibit 4.0. He has attached Exhibit CTA 4.01,
5 4.02, 4.03 and 4.04, and there is a confidential
6 version of CTA 4.03, and CTA Exhibit 5.0, which is
7 his affidavit.

8 I also have --

9 JUDGE DOLAN: Before you go any further, I'm
10 looking at 4.0 is confidential?

11 MR. BALOUGH: Yes.

12 JUDGE DOLAN: 03 and 04 are both confidential.

13 MR. BALOUGH: I believe just 4.03 is
14 confidential.

15 JUDGE DOLAN: You have confidential on 03.

16 MR. RIPPIE: Which witness is this?

17 MR. BALOUGH: Harper.

18 This one is not confidential.

19 JUDGE SAINSOT: Okay.

20 MR. BALOUGH: 4.03 is the one that's
21 confidential.

22 JUDGE SAINSOT: Is that marked confidential?

1 MR. BALOUGH: It should be, yes.

2 MR. BALOUGH: Then the next group is the
3 testimony of Emily Ziring, CTA direct 2.0 along
4 with CTA 2.01. Her affidavit is marked CTA Exhibit
5 6.0.

6 Then Amy Kovalan. Her direct testimony
7 is CTA Exhibit 3.0 with one Exhibit 3.01. And her
8 affidavit CTA 7.0.

9 Your Honors, those are the exhibits for
10 the CTA. I would offer those exhibits. I
11 understand they're not opposed?

12 MR. RIPPIE: As long as Mr. Balough can say
13 their names three times fast, we have no objection.

14 MR. BALOUGH: Harper, Harper, Harper.

15 MR. RIPPIE: The other ones.

16 MR. BALOUGH: Kovalan, Kovalan, Kovalan.
17 Ziring, Ziring, Ziring.

18 JUDGE SAINSOT: See, this is what happens when
19 you have long trials. Better that than the other
20 thing that happens.

21 Just for the record, because I'm a
22 little tired, CTA Exhibit 4.04 is not confidential;

1 is that correct?

2 MR. BALOUGH: That's correct.

3 JUDGE DOLAN: No objection then, I take it, on
4 that?

5 (No response.)

6 JUDGE DOLAN: Then CTA Exhibit 1.0, 2.0, 3.0,
7 4.0 along with 4.1 and 2 Attachments, right, then
8 4.3 is confidential?

9 MR. BALOUGH: That's correct.

10 JUDGE SAINSBOT: And 4.04 is not confidential,
11 along with their affidavit, they will be admitted
12 into the record.

13 (Whereupon, CTA Cross-Exhibit
14 No. 1.0, 2.0, 3.0, 4.0, 4.1 and
15 4.3 (Confidential) 4.04 with
16 attachments were admitted into
17 evidence.)

18 MR. BALOUGH: Thank you.

19 Then we also have our joint testimony of
20 James Bachman and that has been marked CTA/Metra
21 joint Exhibit 1.0 which is his direct. And
22 attached to that are CTA/Metra joint Exhibits 1.01

1 to 1.08. His rebuttal testimony is marked CTA Metra
2 Joint Exhibit 2.0. And with that we have Exhibits
3 2.01 through 2.25, of which CTA/Metra Joint
4 Exhibit 2.02 there is a confidential version. His
5 affidavit is CTA/Metra Joint Exhibit 3.0. We would
6 offer those exhibits.

7 JUDGE SAINSOT: Any objection?

8 (No response.)

9 JUDGE SAINSOT: All right. Hearing no
10 objection, your motion is granted.

11 And CTA/Metra Exhibit 1.0, 1.01 through
12 1.08, 2.0, 2.01 through 2.05 and the confidential
13 version of 2.02 and 3.0, which all concern Mr.
14 Bachman are entered into evidence.

15 MR. BALOUGH: Thank you, your Honor.

16 (Whereupon, CTA/Metra Joint
17 Exhibit Nos. 1.0, 1.1 and 1.08,
18 2.0, 2.01 through 2.05, 2.02 and
19 3.0 were admitted into evidence.)

20 MR. RIPPIE: We have all of ours, too, with the
21 exception of one which we are still heavily engaged
22 in discussions. You want to do that tomorrow? Is

1 that better?

2 JUDGE DOLAN: (Shaking head up and down.)

3 MR. RIPPIE: Fair enough. Thank you.

4 (Witness sworn.)

5 ROBERT GARCIA,

6 called as a witness herein, having been first duly

7 sworn, was examined and testified as follows:

8 DIRECT EXAMINATION

9 BY

10 MR. ROONEY:

11 **Q.** Mr. Garcia, do you have before you four

12 different pieces of testimony, your direct

13 testimony identified as ComEd Exhibit 23, with

14 attached Exhibit 23.1 revised and 23.2, your

15 supplemental direct identified as ComEd Exhibit

16 24.0 with attached Exhibit 24.1 revised, your rate

17 design rebuttal testimony identified as ComEd

18 Exhibit 50 with attached Exhibits 50.1 through

19 50.4, and your rate design surrebuttal testimony

20 identified as ComEd Exhibit 74.0 revised along with

21 Attachments 74.1 through 74.3.

22 **A.** I do.

1 **Q.** And those pieces of testimony were prepared
2 by you or under your direction?

3 **A.** They were.

4 MR. ROONEY: Your Honors, at this point, I would
5 move for the admission of the identified exhibits,
6 the direct testimony, supplemental direct, the rate
7 design rebuttal testimony and rate design
8 surrebuttal testimony of Mr. Robert Garcia.

9 JUDGE DOLAN: Any objections?

10 (No response.)

11 JUDGE DOLAN: Hearing none, ComEd Exhibit 23.0,
12 23.1 revised and ComEd Exhibit 23.2 will be
13 admitted into the record. ComEd Exhibit 24.0,
14 along with ComEd Exhibit 24.1 revised, and ComEd
15 Exhibit 50.0 through 50.4 will be admitted into the
16 record and ComEd Exhibit 74.0 revised, along with
17 74.1 through 74.3 will be admitted into the record.

18 MR. ROONEY: Thank you, your Honor.

19 Mr. Garcia is available for
20 cross-examination.

21

22

1 (Whereupon, ComEd Exhibit
2 No. 23.0, 23.1, 23.2, 24.0,
3 24.1, 50.0, 50.4, 74.0 and
4 74.1 through 74.3 were
5 admitted into evidence.)

6 JUDGE DOLAN: Mr. Robertson?

7 MR. ROBERTSON: Thank you, Your Honor.

8 CROSS EXAMINATION

9 BY

10 MR. ROBERTSON

11 Q. Mr. Garcia, I have hopefully five quick
12 questions for you.

13 It is my understanding that the
14 allocation factors used in ComEd's proposed rates
15 are based on your analysis that is presented in
16 ComEd's surrebuttal Exhibit 74.1; is that correct?

17 A. Analyses prepared under my direction, yes.

18 Q. And I think I said ComEd's proposed rates,
19 that was included in the cost-of-service study,
20 75.1?

21 A. There were multiple versions incorporated
22 in multiple exhibits, but yes.

1 Q. Your surrebuttal testimony includes
2 Exhibits 74.1?

3 A. Yes.

4 Q. And the Company presented --

5 JUDGE DOLAN: -- Mr. Garcia please speak up and
6 into the microphone please.

7 THE WITNESS: Sorry.

8 BY MR. ROBERTSON:

9 Q. The Company presented a cost-of-service
10 study in Surrebuttal 75.1; is that correct?

11 A. Correct.

12 Q. And the 75.1 is the study that the Company
13 is currently proposing be used for rates in this
14 case; is that correct?

15 A. Yes.

16 Q. Okay. Now, so if I looked at Exhibit 75.1,
17 the weather normalized values for, quote, "CP-ALL"
18 and "NCP," I don't want to get this mixed up --
19 "less than 69 kV" are taken from your surrebuttal,
20 Exhibit 74.1; would that be correct?

21 A. Yes.

22 Q. Now, you adjusted the CP and NCP values

1 shows in ComEd Surrebuttal Exhibit 74.1 to reflect
2 revised loss factors; is that correct?

3 A. Yes, correct.

4 Q. Did you make any other adjustments to the
5 loads shown in ComEd Surrebuttal Exhibit 74.1?

6 A. Adjustments based on what, relative to
7 what?

8 Q. Well, relative to the allocation factors
9 that you presented in your rebuttal testimony?

10 A. No.

11 Q. Do the allocation factors shown in ComEd
12 Exhibit Surrebuttal Exhibit 74.1 reflect a
13 differentiation in loads delivered to customers at
14 primary voltages from loads delivered at secondary
15 voltages?

16 A. You mean do the external allocation factors
17 recognize the differentiation?

18 Q. Yes.

19 A. Yes.

20 Q. Can you look at Exhibit 74 -- does Exhibit
21 74.3 make such a differentiation?

22 A. I'm sorry. It's been a while since you

1 posed that question.

2 **Q.** Do the allocation factors shown in ComEd
3 Exhibit Surrebuttal Exhibit 74.3 reflect the
4 differentiation in the loads delivered to customers
5 at primary voltages from the loads delivered at
6 secondary voltages?

7 **A.** Yes.

8 **Q.** Can you show me where it does that on the
9 exhibit?

10 **A.** 74.3, the CP and NCP calculations reflected
11 in 74.3 reflect that differentiation. Primary
12 versus secondary, they're separate CP and NCP
13 calculations included.

14 JUDGE SAINSOT: Where does it say that,
15 Mr. Garcia? I can't find it.

16 THE WITNESS: On 74.3, go down, it's at the
17 bottom. You'll see the breakout of the classes and
18 the secondary and primary. Those are voltage-base
19 distinctions.

20 BY MR. ROBERTSON:

21 **Q.** You're talking about where it shows the
22 small load, medium load, very large load,

1 extra-large load, high voltage and low voltage over
2 10,000 feet?

3 A. Yes. I see secondary and primary.

4 Q. At the bottom of the table?

5 A. Yes.

6 Q. And where does it do that on 74.2?

7 A. .2?

8 Q. Auh-huh.

9 A. Same place. Just looking at 74.2, Page 1,
10 the bottom of that table has a very similar
11 breakout, except it's not by demand. It's a simple
12 primary over and under ten with secondary and
13 primary and primary transformation broken out.

14 Q. And that's how you would traditionally show
15 the breakout?

16 A. I don't know what you mean by
17 "traditionally show the breakout." This is the
18 first time, I believe, we reflected such a
19 breakout.

20 Q. That's how you've shown it on these two
21 exhibits?

22 A. That's how it's differentiated on these two

1 exhibits.

2 Q. Okay. I don't see that on 74.1 anywhere.

3 A. Oh, in 74.1, it would be a different
4 illustration. If you look at Page 2 of 2, their
5 assumption with respect to the NCP -- on Page 74.1
6 Page 2 of 2 the NCP-sec, S-E-C, reflects the
7 assumption that there is no secondary associated
8 with customers over 400 kW demand.

9 JUDGE SAINSOT: So this column here,
10 Mr. Garcia, second from the right?

11 THE WITNESS: It will be Column C equals 1 minus
12 B. There are zeros there. There is also zeros for
13 high voltage that reflects some of the
14 differentiation.

15 JUDGE SAINSOT: Just for the record,
16 Mr. Garcia, what does "SEC" stand for?

17 THE WITNESS: "Secondary."

18 MR. ROBERTSON: I have no further questions.

19 JUDGE DOLAN: Thank you.

20

21

22

1 CROSS EXAMINATION

2 BY

3 MR. GOWER:

4 Q. Mr. Garcia, my name is Ed Gower. I
5 represent Metra in this case.

6 A. Hello, Mr. Gower.

7 Q. Hello.

8 Mr. Garcia, would you please describe
9 the components of the AMI pilot project, whose cost
10 ComEd is proposing to allocate to delivery classes
11 in this case based on the AMI Pilot Meter Cost
12 Factor?

13 A. Those are based on the cost factor?

14 Q. Yes.

15 A. It's the cost of the meters. The factor is
16 based on the cost of the meters.

17 Q. Are those the only costs that you propose
18 to allocate in this case?

19 A. The costs that's used to allocate, I
20 believe, are reflected in the exhibit by Ms.
21 Houtsma, the numbers of which I don't recall. I
22 can pull those for you. They're in my testimony.

1 **Q.** I'm not interested in the numbers as I am
2 in a substantive description of what is included in
3 those costs.

4 **A.** My understanding, subject to confirmation,
5 perhaps by Ms. Houtsma, is that it is for the
6 metering system of those installed.

7 **Q.** Is any part of the customer application
8 study included in the costs you're seeking to
9 recover here?

10 **A.** No, not to my knowledge.

11 **Q.** There were \$7 million in expenses.

12 Do you know what those expenses were
13 for?

14 **A.** The \$7 million referred to? What are you
15 referring to? I'm sorry.

16 **Q.** I just remember seeing that the meters were
17 roughly \$44 million, and then there was \$7 million
18 in expenses, and I was wondering regardless whether
19 it's 7 million, 2 million or 1 million.

20 Do you know what those expenses are
21 comprised of that you're seeking to be allocated?

22 **A.** I'm not 100 percent sure I'm recalling what

1 \$7 million you're referring to. I believe there
2 was some expenses in the schedules that Ms. Houtsma
3 prepared, but I don't recall off the top of my
4 head.

5 **Q.** All right. Now, the AMI Pilot Meter Cost
6 Factor is the factor that you use to allocate the
7 cost of the meters; is that correct?

8 **A.** Yes.

9 **Q.** That AMI Pilot Meter Cost Factor was
10 calculated based on the ratio that the cost of the
11 AMI meters installed for a particular delivery
12 class bore to the cost of all AMI meters that were
13 purchased and installed by ComEd for all classes,
14 correct?

15 **A.** Can you repeat that last part. You kind of
16 lost me.

17 **Q.** Well, rather than lead you through it, why
18 don't you just tell me how you calculated the AMI
19 Pilot Meter Cost Factor?

20 **A.** It's a simple ratio of the expenses for the
21 meters installed in the classes. It's a very
22 simplistic essence.

1 **Q.** The ratio of the meter cost for a
2 particular class that that cost bears for the
3 entire meter cost, correct?

4 **A.** I'm sorry. I, once again, lost you in that
5 brief clarification there.

6 **Q.** Assume that the meter cost was \$44 million.
7 If you were allocating costs to the railroad class,
8 you took the cost of the meters for the railroad
9 class and divided that by the total cost to arrive
10 at the ratio of the cost you allocate to the
11 railroad class, correct?

12 **A.** Yeah, I believe, if I'm following
13 correctly, it was allocated based on the essence of
14 the ratio of the cost of the meters installed in
15 each class. From the case of CTA/Metra, it was
16 based on the six meters installed there.

17 **Q.** The cost factor you developed for the
18 railroad case was based on the installation of six
19 meters for railroad class facilities, correct?

20 **A.** Right.

21 **Q.** And those are the same six meters that
22 ComEd identified that it intended to install for

1 the railroad class in the AMI Pilot Project Rider
2 Proceeding, which was Docket 09-0263; is that
3 correct?

4 A. I don't recall what was said about the
5 intention to install for CTA in that order, but
6 subject to check.

7 Q. Well --

8 A. It said what it said.

9 Q. I can show you part of the order, if that
10 would help.

11 Have you read the order in that case?

12 A. Yes, I did.

13 MR. GOWER: May I approach, your Honor?

14 JUDGE SAINSOT: Yes.

15 MR. GOWER: It's a copy of the order in 09-0263.
16 I would rather mark it as a Cross-Exhibit but I
17 don't have to, it's up to you.

18 JUDGE SAINSOT: Are you going to enter it into
19 evidence?

20 MR. GOWER: No.

21 JUDGE SAINSOT: Then that's okay. We will speed
22 things up a little bit.

1 JUDGE SAINSOT: I have a quick question while
2 you're getting ready there, Counsel.

3 Were there actually six meters that were
4 installed to the railroad?

5 THE WITNESS: You mean are they actually in
6 service right now?

7 JUDGE SAINSOT: Or were they ever in service.

8 THE WITNESS: Yes, as of -- when did I point that
9 out -- I think it was rebuttal testimony. I think
10 those meters had been installed more or less within
11 that time frame.

12 JUDGE SAINSOT: Thank you.

13 BY MR. GOWER:

14 Q. I just handed you an excerpt from the final
15 order in Docket No. 09-0263. It's the cover page
16 of the final order, and then it's Pages 37 through
17 44 of the order.

18 If you would look at Page 39, there is a
19 reference in the second to full paragraph there.

20 It says: "However, Dr. Hemphill testified that
21 pursuant to the pilot program here, the railroad
22 class would receive only six of the 141,000 AMI

1 meters."

2 Do you see that?

3 A. So it's Page 39, what paragraph?

4 Q. Page 39, the second full paragraph, the
5 second sentence.

6 A. Yes, I do.

7 Q. So would you agree with me that the
8 Commission knew when it entered the order in
9 09-0263 that there were six meters to be installed
10 in the railroad class facilities?

11 A. I would submit that the inclusion of that
12 statement in the order would seem to suggest they
13 were cognizant of the fact that we intended to
14 install six meters, yes.

15 Q. And are you aware that the Metra and CTA
16 witnesses testified in the AMI Pilot Project case,
17 that is Docket 09-0263, that the CTA and Metra did
18 not want and would not use AMI meters because they
19 both already had a supervisory control and data
20 acquisition system that they purchased, and that it
21 was operating and already produced the required
22 information?

1 MR. RIPPKE: If you'll forgive me again.

2 MR. GOWER: Your Honor, if I could --

3 MR. RIPPKE: That's okay. I can take the time to
4 whisper into Mr. Rooney's ear and then he can make
5 the objection because I was the lawyer involved
6 with 09-0263 and he wasn't.

7 The point is --

8 MR. GOWER: I want one Commonwealth Edison
9 lawyer objecting. I don't care who it is, but I
10 don't really want it to get tacky. I don't think
11 that's unreasonable.

12 MR. ROONEY: Mr. Gower, are you offering that
13 statement for the witness' knowledge or are you
14 making assertions with regard to?

15 MR. GOWER: I asked him if he is aware. I said
16 "correct." I'm asking him is he aware of that.

17 THE WITNESS: From the proceeding in 09-0263, I
18 have general recollection of an objection being
19 entered by CTA to the imposition of the costs of
20 the pilot.

21 I don't recall with any specificity what
22 any of their witnesses said as to the benefits of

1 wanting or not wanting as you put it, the meter. I
2 don't recall that dimension of it, just not wanting
3 to pay for it.

4 BY MR. GOWER:

5 **Q.** If you would please, why don't you start
6 reading on the bottom of Page 38, and then continue
7 on to Page 39 and see if that refreshes your
8 recollection as to testimony that may have been
9 offered in that case.

10 JUDGE SAINSBOT: Well, what are you talking
11 about, the last paragraph, "he further stated"?

12 MR. GOWER: Yes, it actually starts in the --
13 yes, started with "he further stated."

14 THE WITNESS: Auh-huh, just the bottom
15 paragraph?

16 BY MR. GOWER:

17 **Q.** Then skip the next paragraph and read the
18 next paragraph about pay the system.

19 Have you had an opportunity to read that
20 paragraph, as well?

21 **A.** Yes, sir.

22 **Q.** Then can you skip down to the last sentence

1 of the next paragraph that starts "The CTA
2 concluded that the AMI devices."

3 JUDGE SAINSOT: Where is that?

4 MR. GOWER: The next paragraph, the third full
5 paragraph on Page 39.

6 JUDGE SAINSOT: Okay.

7 MR. GOWER: It says: "The CTA and Metra also
8 pointed out." And I'm directing your attention to
9 the last sentence of that paragraph which starts,
10 "The CTA concluded."

11 JUDGE DOLAN: The second to last.

12 MR. GOWER: You're right. Second to the last
13 and ultimate, as they say.

14 THE WITNESS: Okay.

15 BY MR. GOWER:

16 Q. Does that refresh your recollection as to
17 the testimony that the CTA and Metra witnesses may
18 have offered in Case No. 09-0263 concerning the
19 fact that Metra and the CTA did not want and would
20 not use the AMI meters?

21 A. I don't know if I have a recollection of
22 anything beyond that, yeah. I think I have an

1 understanding of what that language says.

2 Q. Did you read this order prior to making the
3 determination that the CTA and Metra should be
4 allocated the cost of AMI pilot project meters?

5 A. I didn't read it in its entirety. I would
6 have read the conclusion section because that would
7 have been the relative guidance.

8 Q. Did you read the conclusion section with
9 respect to Metra and CTA in that order?

10 A. Yes, sir. It's reflected in my testimony.

11 Q. In fact, in Docket -- at Page 43 of that
12 order, the Commission directed that the railroad
13 class should not be included in any rider recovery
14 for the AMI pilot project; isn't that correct?

15 A. That's what I acknowledge in my testimony,
16 yes.

17 Q. And, in fact, the Commission said that:

18 "With regard to imposing the cost
19 of this pilot program upon the
20 railroad class, (the CTA/Metra), this
21 Commission has previously rejected
22 a position of those costs in rate cases

1 upon the railroad class.

2 "As the CTA and Metra notes, the
3 railroads already have systems in place
4 that equate to or are, indeed, superior
5 to the ones that will be included in the
6 pilot program here, and this pilot program
7 concerns primarily residential customers
8 with some small businesses also being
9 tested.

10 "Imposing the costs of this pilot
11 program upon the CTA and Metra when
12 they're not cost-causers is unfair.
13 Additionally, imposing more costs upon
14 these two entities runs counter to this
15 Commission's policy of encouraging the
16 use of public transportation for
17 environmental reasons; therefore, the
18 railroad class shall not be included in
19 any rider recovery for the cost of the
20 project that is the subject of this
21 docket."

22 Then it goes on to say:

1 "We are not basing this
2 conclusion solely upon what was done
3 in previous ComEd rate cases, rather we
4 are recognizing this Commission's
5 general policy of encouraging public
6 transportation for environmental reasons
7 and a myriad of other public policy
8 reasons; such as, the fact that imposing
9 costs on public transportation providers
10 can limit this provider's ability to
11 provide this transportation."

12 Have I correctly read the first two
13 paragraphs under the caption "Commission Analysis
14 and Conclusion"?

15 MR. ROONEY: Objection, your Honor. The order
16 speaks to itself.

17 MR. GOWER: I'm leading into my next question.

18 JUDGE SAINSOT: Yeah, it's foundation.

19 Overruled.

20 THE WITNESS: I wasn't paying attention closely
21 enough along to see if you read it verbatim, but
22 I'll take your word that you did.

1 BY MR. GOWER:

2 Q. Did you read the first two paragraphs of
3 the language on Page 43 under the heading
4 "Commission Analysis and Conclusion" before you
5 made the decision to assess costs to the railroad
6 class for the cost of AMI pilot project meters?

7 A. Let me clarify, I did not make a decision
8 to. Secondly, yes, as I mentioned before, I did
9 read the Commission's conclusion section in its
10 entirety.

11 Q. Who made the decision then to try to tag
12 the railroad class for the cost of the AMI pilot
13 project meters?

14 A. It was a recommendation that was reflected
15 in -- I think, my testimony.

16 Q. It was a recommendation from whom? I asked
17 you -- did you make the decision to include the --
18 to assess the railroad class for a portion of the
19 cost of AMI pilot project meters?

20 A. I don't have authority in my current
21 position to make a decision, per se, on behalf of
22 the Company.

1 Q. Okay. Then can you answer my question.

2 A. I can only give a recommendation. Yeah,
3 the recommendation came from my staff and me.

4 Q. You made a recommendation that the railroad
5 class should be assessed the costs for the AMI
6 pilot project meters?

7 A. I made a recommendation there was ambiguity
8 as to what the order was directing in terms of
9 long-term recovery beyond the Rider.

10 Q. And did you also recommend that the
11 railroad class be assessed a portion of the cost
12 for the AMI pilot project meters?

13 A. Yes, that's what I just said.

14 Q. Was that recommendation adopted and
15 accepted?

16 A. It's reflected in my testimony, yes.

17 Q. If I ask you a question and it's a "yes" or
18 "no" question, I would appreciate a "yes" or "no"
19 answer.

20 Now, knowing that Metra and the CTA have
21 testified that they didn't want and would not use
22 any AMI meters and that the Commission had directed

1 that ComEd could not use the AMI rider to recover
2 the cost of those meters, Commonwealth Edison
3 nevertheless installed six AMI meters for the
4 railroad class, and you're now seeking to recover
5 those costs in this proceeding; is that correct?

6 **A.** I'm not sure I understand the relevance of
7 the first two points. We were not directed, as I
8 noted in my testimony, not to install those meters
9 as part of the pilot.

10 **Q.** Sir, I just asked -- let me break it down
11 for you in case you didn't understand.

12 JUDGE SAINSOT: Hold on.

13 Mr. Garcia, you're amply represented
14 there. Relevance is for your distinguished counsel
15 over there on my right.

16 So go ahead.

17 BY MR. GOWER:

18 **Q.** If you like, I will just repeat the
19 question.

20 **A.** Okay.

21 **Q.** I said: Now, knowing that Metra and the
22 CTA testified they did not want and would not use

1 any AMI meters and that the Commission had directed
2 that ComEd could not use the AMI rider to recover
3 AMI pilot project meter costs, ComEd nevertheless
4 installed six AMI meters for the railroad class and
5 is now seeking to recover those costs in this
6 proceeding; is that correct?

7 A. Yes.

8 Q. Now, in your surrebuttal testimony at
9 page -- it's ComEd Exhibit 74.0 at Page 5.

10 Let me know when you're there.

11 A. Yes.

12 Q. At Lines 106 through 111, you were asked
13 the following question and gave the following
14 answer:

15 "Question: Does it seem odd
16 to you that CTA and Metra has
17 committed the resources they have
18 addressing this \$1,212 issue in
19 testimony"?

20 And your answer was:

21 "Yes and no. While the expense of
22 litigating this issue in this case like -- "

1 MR. ROONEY: Objection, your Honor. The
2 testimony is there. It speaks for itself. We
3 already heard about half of the order in the AMI
4 docket.

5 MR. GOWER: Your Honor, I'm going to ask him
6 questions about this testimony. I want it fresh in
7 his mind and if he wants to just read it, that's
8 fine with me, too. I don't care.

9 JUDGE SAINSOT: Overruled.

10 MR. GOWER: I'm going to ask him specific
11 questions about what he testified about.

12 If I may continue: Your answer was:

13 "Yes or no. While the expense of
14 litigating this issue in this case likely
15 will rival the cost allocated to CTA and
16 Metra, I suspect the real issue here
17 concerns the precedent that may be set
18 with respect to future recovery of full
19 scale, smart grid and AMI implementation
20 costs."

21 Do you see that testimony?

22 THE WITNESS: Yes, sir. I do.

1 BY MR. GOWER:

2 Q. Now, the recovery of full scale, smart grid
3 and AMI implementation are not at issue in this
4 proceeding, are they, Mr. Garcia?

5 A. Not directly, no.

6 Q. And you never -- did you ever talk to
7 anybody at Metra about Metra's motivation in
8 opposing ComEd's effort to stick Metra with the
9 cost of the AMI meters?

10 MR. ROONEY: Objection; characterization.

11 JUDGE DOLAN: Just rephrase the question.

12 BY MR. GOWER:

13 Q. You never talked to anybody at Metra about
14 Metra's motivation in opposing ComEd's effort to
15 make Metra pay for the cost of meters it testified
16 it neither wanted nor needed, did you?

17 A. No, I haven't spoken to anyone at Metra
18 before.

19 Q. You never talked to me about why Metra was
20 opposing ComEd's attempts to have Metra pay for the
21 cost of AMI meters that Metra witnesses testified
22 they neither wanted nor needed, did you, Mr.

1 Garcia?

2 A. I never spoke to who?

3 Q. Me. You never talked to counsel for Metra
4 about why Metra was taking the position it took in
5 this proceeding, did you?

6 A. No.

7 Q. Did it ever occur to you, Mr. Garcia, that
8 Metra might be opposed to ComEd's efforts to make
9 Metra pay for the cost of AMI meters and related
10 expenses out of principle because Metra had just
11 participated in a full-blown evidentiary case at
12 the conclusion of which Metra pointed to the
13 Commission, that very clearly agreed, Metra had no
14 responsibility for any of the AMI pilot meter
15 costs?

16 A. Principle?

17 Q. Yes, principle?

18 A. Yes, the thought crossed my mind it might
19 have been an argument on principle.

20 Q. That didn't find its way to your testimony,
21 did it?

22 A. No, that's not the point of that testimony.

1 **Q.** Mr. Garcia, did it ever occur to you that
2 the railroad class might be making an example out
3 of ComEd's efforts to make Metra pay for the cost
4 of AMI pilot project meters because Metra doesn't
5 believe it should have to diligently track every
6 step ComEd takes in order to ensure that ComEd
7 complies with prior Commission final orders?

8 **A.** I'm sorry. Can you restate that. That was
9 a long question.

10 **Q.** Did it ever occur to you that the reason
11 that Metra has made an issue out of the effort to
12 make them pay for the cost of the AMI pilot project
13 meters is because Metra doesn't want in the future
14 to have to dog Commonwealth Edison's steps to make
15 sure that it complies with prior Commission orders?

16 **A.** That is exactly what my thought was.

17 Your question illustrates the point of
18 my testimony, is that you're looking at the
19 implications for the longer-run cost-recovery issue
20 here. You don't want to be having to constantly --

21 MR. GOWER: I move to strike that answer as
22 nonresponsive. I didn't ask about speculation

1 about our strategy. I asked him whether he thought
2 that that ever occurred to him, that one of the
3 reasons that Metra was opposing Commonwealth
4 Edison's efforts to make Metra pay for the cost of
5 AMI pilot project meters was because Metra did not
6 want in the future to have to follow everything
7 Commonwealth Edison does to make sure it complies
8 with prior Commission orders.

9 MR. ROONEY: If I may respond, Mr. Gower's
10 question asked the witness to speculate. He gave a
11 response that was completely responsive to the
12 question.

13 MR. GOWER: I asked him if the thought ever
14 crossed his mind before he prepared testimony
15 speculating about what Metra motives were.

16 JUDGE SAINSOT: Well, I agree you did ask him to
17 speculate, but he went beyond what you asked him to
18 speculate about. So you kind of opened the door.

19 But in the future, Mr. Garcia, just
20 answer the question.

21 THE WITNESS: Okay.

22 BY MR. GOWER:

1 Q. Well, let me ask it a different way,
2 Mr. Garcia, when you prepared your testimony, did
3 it occur to you that Metra was opposing the effort
4 to make Metra pay for the cost of AMI pilot project
5 meters because Metra believed that Commonwealth
6 Edison failed to comply with the prior Commission
7 order?

8 MR. ROONEY: Objection; asked and answered.

9 JUDGE SAINSOT: No, that wasn't asked and
10 answered.

11 You can answer.

12 THE WITNESS: Yes, it crossed my mind.

13 MR. GOWER: Okay. That's all I have.

14 Thank you.

15 CROSS EXAMINATION

16 BY

17 JUDGE SAINSOT:

18 Q. I just have one question for you,
19 Mr. Garcia. This is just because I'm unclear.

20 You know, I know this because my
21 neighbors ask me about this all the time, the
22 little AMI charge on the ComEd bill, they ask me

1 about that. It's a \$5 dollar charge a month. And,
2 of course, I have to tell them I'm responsible for
3 that charge.

4 JUDGE DOLAN: The Commission.

5 BY JUDGE SAINCOT:

6 Q. But I had something to do with it.

7 I'm just curious why there was -- the
8 testimony is that six meters were installed and the
9 railroads got billed for the six meters. The rest
10 of us got a small percentage of the total cost.

11 Why were the railroads singled out like
12 that?

13 A. I think I'll respond by focusing on your
14 characterization that they got billed. They have
15 not gotten billed for anything under Rider A and P.
16 That was the directive that ComEd acknowledged as
17 clear in the order 09-0263.

18 My point is now that we are looking at
19 it in terms of rolling these assets as the rider
20 requires it be rolled into the rate base in this
21 case that another decision has to be made as to who
22 pays for those costs on a long-term basis. So

1 there hasn't been any allocation with respect to
2 CTA/Metra. Everyone else has been paying the cost
3 except for CTA/Metra under the rider.

4 Q. You mean, so the little old ladies on the
5 west side, and all those people are paying the
6 actual costs now?

7 A. The little old ladies all over the service
8 territory who are residential customers are paying
9 for portions of it, as well as the larger
10 industrial customers are also paying for portions
11 of it, as per the IIEC's proposal in that case.

12 MR. GOWER: I believe in the 09-0263 order all
13 but the railroad class was assessed costs based
14 upon the weighted meter factor in accordance with
15 the IIEC --

16 MR. ROONEY: I object at this point. That order
17 speaks for itself.

18 MR. RIPPIE: And I'm not allowed to talk, and I
19 was the lawyer in the case.

20 MR. ROONEY: So if Metra wants to submit
21 testimony, they can't do so. They had their
22 chance.

1 JUDGE DOLAN: Mr. Balough, are you waiving then?

2 MR. BALOUGH: I have a few more questions.

3 CROSS EXAMINATION

4 BY

5 MR. BALOUGH:

6 Q. Mr. Garcia, as to those six meters, are
7 they installed on the CTA system or the Metra
8 system?

9 A. I don't recall.

10 Q. Do you know what information the CTA
11 receives? Then you would not know what information
12 the CTA receives, if any, from those meters; is
13 that correct?

14 A. I would not.

15 Q. Just so the record is clear, I know
16 Mr. Gower talked to you about this, but I just want
17 to make sure. He talked about it from the
18 perspective of Metra. I just want to make sure.

19 You didn't contact the CTA and say, Now,
20 what is the reason that you're opposing the
21 imposition of these costs on the CTA, did you?

22 A. No.

1 **Q.** And you didn't talk to counsel for CTA
2 about why -- what their motive might be and why
3 they're opposing an imposition of these costs?

4 **A.** No.

5 **Q.** In fact, you don't know that -- you say the
6 cost of pursuing this litigation far exceeds the
7 \$1,000.

8 **A.** No, I do not.

9 **Q.** That's not what you said. Let me look at
10 your testimony here. You said --

11 **A.** Something of a likely rival.

12 **Q.** You don't have any idea what the cost that
13 CTA is paying to litigate that entire case, do you?

14 **A.** I would have to ask you what your hourly
15 rate is.

16 **Q.** When you filed this testimony, you had no
17 knowledge of what the charges were to the CTA to
18 litigate this case, did you?

19 **A.** I just guessed it. When you look at a
20 \$1,200 bill, then what outside counsel typically
21 charges, it's pretty comparable.

22 **Q.** Your answer is based, at best, on guessing;

1 is that correct?

2 A. That's why I said "likely," yeah.

3 MR. BALOUGH: I have no other questions.

4 JUDGE DOLAN: Thank you.

5 CROSS EXAMINATION

6 BY

7 MR. TOWNSEND:

8 Q. Good evening, Mr. Garcia.

9 A. Hello, Mr. Townsend.

10 Q. Chris Townsend appearing for REACT The

11 Coalition to Request Equatable Allocation of Costs

12 Together.

13 You're familiar with REACT?

14 A. Yes, vaguely, sir.

15 Q. You're the manager of Regulatory Strategies

16 and Solutions at ComEd?

17 A. Yes.

18 Q. And you submitted testimony in this

19 proceeding relating to what ComEd calls customer

20 service costs and REACT calls customer care costs,

21 correct?

22 A. Yes.

1 **Q.** I'm going to refer to customer care costs
2 during this cross-examination today.

3 Can you agree to that?

4 **A.** As interchangeable with customer services,
5 I'm fine for the purposes of cross using that
6 common language, yes.

7 **Q.** You point out in your testimony that the
8 services that generally customer care costs
9 encompass nearly every aspect of the customer's
10 interaction with ComEd, correct?

11 **A.** Sorry. Can you say that again.

12 **Q.** You testify that the services that generate
13 the customer care costs encompass nearly every
14 aspect of the customer's interaction with ComEd,
15 right?

16 **A.** Where is that at?

17 **Q.** Your supplemental direct, Lines 57, 58,
18 Page 3?

19 JUDGE SAINSOT: So what is that ComEd Exhibit 24?

20 MR. TOWNSEND: That's correct.

21 THE WITNESS: Right. Quoting basically,
22 Mr. Donovan's characterization, yes, he did say

1 that.

2 BY MR. TOWNSEND:

3 Q. And ComEd presented two separate studies
4 regarding the issue of customer care costs,
5 correct?

6 A. Yes.

7 Q. Switching study and an allocation study,
8 right?

9 A. Yes.

10 Q. And Mr. Donavan, who was previously
11 cross-examined is the other witness who has
12 testified on these issues, correct?

13 A. Yes.

14 Q. It is ComEd's position that the switching
15 study should be used to allocate the customer care
16 costs between delivery and supply functions, right?

17 A. Yes.

18 Q. It's ComEd's position that if the
19 Commission rejects the switching study approach,
20 then the allocation study presented by ComEd should
21 be used to allocate the customer care costs between
22 ComEd's delivery and supply functions, right?

1 **A.** Not quite. Close, but not quite.

2 **Q.** What is ComEd's position on what the
3 Commission should do if the Commission rejects the
4 switching study approach?

5 **A.** If there is an allocation that would remove
6 costs from the customer care bucket and allocate
7 them, our proposal is that it should be allocated
8 not only to supply as in supply customers that are
9 taking service from ComEd at a Rate BES or BESH,
10 but also they should be recovered from customers
11 who are served by RESs for who we are providing the
12 person in receivables and billing of service.

13 **Q.** Okay. But for the purposes of --

14 **A.** So it's not a supply function is where my
15 distinction lies. It's not a supply necessarily,
16 as the concept is used by Mr. Heintz. It's more
17 like a shared customer care function.

18 **Q.** But let me make sure that I'm clear on
19 ComEd's position with regards to the study.

20 ComEd's position is that if the
21 Commission rejects the switching study approach,
22 that the Commission should endorse ComEd's

1 allocation study that was presented in ComEd's
2 supplemental direct testimony, correct?

3 **A.** As a second best solution, yeah, I believe
4 that's correct. We believe ours is the one that
5 should be used in the alternative to the switching
6 study.

7 **Q.** And you understand that REACT's position is
8 that the Commission should use the allocation study
9 with certain modifications articulated by REACT
10 witness Jeff Merola, right?

11 **A.** Yes, that's my understanding.

12 **Q.** And REACT does not advocate it preventing
13 recovery of any customer care cost that ComEd has
14 incurred, right?

15 **A.** What do you mean "advocate it" in that
16 context?

17 **Q.** REACT as not presented any testimony
18 suggesting that ComEd should not be able to recover
19 its full revenue requirements associated with
20 customer care, right?

21 **A.** I don't know if I can agree with that
22 statement.

1 **Q.** Can you point to a place in the testimony
2 where REACT has suggested that ComEd should not
3 fully recover the revenue requirements associated
4 with its provision of customer care?

5 **A.** Can I fully? I'm sorry. What was the last
6 half of that?

7 **Q.** Recover the revenue requirements associated
8 with the provision of customer care?

9 **A.** No, that wasn't the basis for my previous
10 response, no.

11 **Q.** So you would agree that REACT has not
12 presented any testimony suggesting that ComEd
13 should be prevented from recovering the full
14 revenue requirement associated with the provision
15 of customer care?

16 **A.** Prevented, I don't -- I don't know if
17 that's fully accurate. I will just say no.

18 **Q.** Can you point to a place in REACT's
19 testimony where it is suggested that there is a
20 portion of ComEd's revenue requirement that it
21 should not be allowed to recover with respect to
22 customer care?

1 **A.** No, I cannot point to such testimony. If I
2 might, what is causing me --

3 **Q.** There is no pending question.

4 JUDGE SAINSOT: Just answer the question,
5 Mr. Garcia.

6 THE WITNESS: Sorry.

7 MR. TOWNSEND: Thank you.

8 BY MR. TOWNSEND:

9 **Q.** In your testimony, you point to Section
10 16-102 of the Act, the definition of delivery
11 services, correct? It's in your supplemental
12 direct, ComEd Exhibit 24.0 Page 4, Lines 74 to 75.

13 MR. TOWNSEND: If I may approach, your Honor.

14 JUDGE SAINSOT: Yes, you may.

15 BY MR. TOWNSEND:

16 **Q.** I'm handing you what is being marked as
17 REACT Cross-Exhibit 28, which is the portion of the
18 Public Utilities Act. And in particular, I would
19 like to direct your attention to the definition of
20 delivery services.

21

22

1 (Whereupon, REACT Cross-Exhibit
2 No. 28 was marked for
3 identification.)

4 THE WITNESS: Thank you.

5 BY MR. TOWNSEND:

6 Q. I believe that the pending question was you
7 that do refer to the definition of delivery
8 services in Section 16-1 02 of the Act in your
9 testimony, correct?

10 A. Yes, I do.

11 Q. And the definition of delivery services
12 means those services provided by the electric
13 utility that are necessary in order for the
14 transmission and distribution systems to function
15 so that retail customers located in the electric
16 utility service area can receive electric power and
17 energy from suppliers other than the electric
18 utility and shall include without limitation
19 standard meter and billing services, right?

20 A. Yes, that's what the highlighted section
21 says.

22 Q. Your testimony just quotes the last phrase

1 about standard metering and billing services,
2 right?

3 A. Yes.

4 Q. But you would agree that the definition
5 does not include costs associated with supply to be
6 included in delivery services, right?

7 A. Costs? I'm sorry? Costs associated with?

8 Q. Costs to be included in delivery services.

9 A. Yeah, I'm sorry. With respect to the word
10 "supplies," I was trying to have you repeat what
11 you had said.

12 Q. The definition of delivery services refers
13 only to the transmission in distribution systems,
14 right?

15 A. In the first part of that definition, yes.

16 Q. And it doesn't say anything with regard to
17 supply system, correct?

18 A. No.

19 Q. So the definition doesn't say that
20 supply-related costs should be included in delivery
21 services, correct?

22 A. Supply-related?

1 **Q.** Supply-related costs. I will withdraw the
2 question.

3 I want to discuss the basic amount of
4 customer care costs that need to be allocated.

5 **A.** All right.

6 **Q.** In other words, before the Commission can
7 determine how to allocate the customer care costs,
8 how to split up the pie, it's actually necessary to
9 determine the size of the pie, right?

10 **A.** Conceptually, yes.

11 **Q.** And ComEd included only direct operations
12 and maintenance or O&M costs associated with
13 customer care in its analysis; isn't that correct?

14 **A.** Correct.

15 **Q.** And that's true in both the switching study
16 and the allocation study, right?

17 **A.** Correct.

18 **Q.** Did the Commission state in its order in
19 the Special Investigation Proceeding, Docket
20 No. 08-0532 that ComEd should only study direct O&M
21 costs associated with customer care?

22 **A.** Did it expressly state that?

1 **Q.** Yes.

2 **A.** I don't recall any expressed statements to
3 that effect.

4 **Q.** Would you agree with Mr. Donavan that by
5 including only direct O&M costs in its analysis,
6 ComEd specifically excluded customer care costs
7 associated with compensation of officers and
8 executives, employee pensions, payroll taxes,
9 office supplies, rent, fees paid to consultants,
10 and insurance?

11 **A.** Mr. Townsend, do you have a reference to
12 where Mr. Donavan stated that?

13 MR. TOWNSEND: It's in cross-examination. I
14 don't have the transcript.

15 BY MR. TOWNSEND:

16 **Q.** Would you agree that those costs
17 are excluded from the analysis of the direct O&M
18 costs?

19 **A.** I don't have the same level of budgetary
20 familiarity that Mr. Donavan has, but I would
21 accept his response as being accurate.

22 **Q.** Did ComEd include any depreciation

1 expenses in its customer care cost analysis?

2 A. No.

3 Q. And depreciation expenses are related to
4 ComEd's capital investments, correct?

5 A. Correct.

6 Q. And those capital investments, as they
7 relate to customer care, included the costs of
8 capitalizing software for computer systems that
9 provided customer service and billing; is that
10 correct?

11 A. Yeah, very generally, I could say yes.
12 Speculatively, very generally.

13 Q. In fact, no capital costs associated with
14 customer care costs are included in either the
15 switching study or the allocation study, right?

16 A. Yeah, that I could say more definitely,
17 yes. It was solely O&M.

18 Q. By not including capital costs in the
19 analysis, ComEd also excludes any return on rate
20 base by ComEd; is that correct?

21 A. Yes.

22 Q. You're aware that Staff agrees with REACT's

1 position that ComEd should include all customer
2 care costs in its analysis, correct?

3 A. Are you referring to Mr. Rukosuev.

4 Q. Rukosuev, R-u-k-o-s-u-e-v?

5 JUDGE SAINSOT: Rukosuev, I worked at it.

6 MR. TOWNSEND: Thank you, your Honor.

7 THE WITNESS: Are you referring to
8 Mr. Rukosuev's testimony?

9 MR. TOWNSEND: Yes.

10 THE WITNESS: Yes.

11 BY MR. TOWNSEND:

12 Q. And Staff Witness, Mr. Rukosuev, agrees
13 with Mr. Merola that the pie should not be limited
14 to just direct O&M costs, right?

15 A. That's my recollection, yes.

16 Q. And so the size of the pie, according to
17 both the staff witness and REACT witness, is the
18 size of \$435.3 million rather than just the \$176.2
19 million as proposed by ComEd, right?

20 A. I don't recall the exact numbers.

21 Q. Will you accept those numbers, subject to
22 check?

1 **A.** Sure. Fine.

2 **Q.** Mr. Rukosuev goes on to say:

3 "In other words, since

4 ComEd's general ECOSS allocates all

5 direct and indirect costs among all

6 customers, the allocation of customer

7 care costs should also be determined in

8 the same way; that means including direct,

9 administrative and general, and other

10 applicable indirect costs in the

11 analysis."

12 Right?

13 **A.** I believe that's correct.

14 **Q.** You disagree with his point, and in your

15 surrebuttal testimony -- could you turn to your

16 surrebuttal testimony?

17 **A.** Yeah.

18 **Q.** Lines 127 to 133.

19 JUDGE SAINSOT: What exhibit?

20 MR. ROONEY: 74.0 revised.

21 THE WITNESS: What were the lines again?

22 MR. TOWNSEND: 74.0 at Lines 127 to 133. Okay.

1 BY MR. TOWNSEND:

2 Q. Then you say a simple review of any
3 Schedule 1A of any of the ECOSS as presented by
4 Mr. Heintz in this proceeding that not all
5 associated costs are allocated to the electric
6 power and energy supply related operations; namely,
7 the supply administration subfunction in ComEd's
8 ECOSS.

9 This is because not all of the
10 associated costs are reflected in the supply
11 charges determined under Rider PE, purchased
12 electricity, Rider PE and rate BESH, basic electric
13 service hourly pricing rate, B-E-S-H, correct?

14 A. That's correct.

15 Q. So it's your testimony that only direct O&M
16 costs are allocated to supply administration in the
17 ECOSS?

18 A. Say that again.

19 Q. It's your testimony that only direct O&M
20 costs are allocated to supply administration
21 subfunction in ComEd's ECOSS?

22 A. No.

1 **Q.** That's not what that testimony says?

2 **A.** No.

3 **Q.** You agree that costs other than direct O&M
4 costs are allocated to supply administration in the
5 ECOSS, right?

6 **A.** There are a few, but not to the extent we
7 are talking about here. It's a little different
8 study they do there. It's not all, but they are
9 very targeted, some that is reflected in the stack.

10 **Q.** Many of the costs that Mr. Merola
11 criticizes for ComEd not including in its customer
12 care costs here are allocated to the supply
13 administration charge, right?

14 **A.** I don't recall what ones he criticized.

15 **Q.** Do you recall which costs are included in
16 the supply administration charge?

17 **A.** I believe when we make those filings, the
18 filings reflect an allocation of the full labor
19 costs of the employee, so it would be labor plus
20 pension and benefits. The pension and benefits
21 would be the one difference there.

22 They also do some training expense, and

1 it's solely devoted to that, and that purpose
2 of the procurement function. And then there is a
3 direct assignment of certain software systems that
4 are used exclusively, I believe, and solely by the
5 department in question.

6 So these are costs that are easily
7 identifiable from ComEd's list of costs, I guess
8 you could say.

9 **Q.** Would you agree, subject to check, that
10 depreciation expenses are, in fact, allocated to
11 the supply administration charge?

12 **A.** I don't recall depreciation specifically. I
13 have no basis to refute it since there is, I
14 believe, some intangible plant.

15 MR. TOWNSEND: May I approach, your Honor?

16 JUDGE SAINSOT: Yes, you may.

17 MR. TOWNSEND: I will hand you REACT
18 Cross-Exhibit 29, which is an excerpt from one of
19 the embedded cost-of-service studies presented in
20 ComEd Exhibit 75.1, and ask you to turn to Page 16,
21 Line 218.

22

1 (Whereupon, REACT Deposition
2 Exhibit No. 29 was marked for
3 identification.)

4 BY MR. TOWNSEND:

5 Q. There it does reflect that there is a
6 depreciation expense associated with intangible
7 plant that has been allocated to the supply
8 administration charge, right?

9 A. Yes, I believe that's the software systems
10 and stuff that I referred to before.

11 Q. But none of the depreciation associated
12 with customer care costs have been included in
13 either the allocation study or the switching study,
14 right?

15 A. No.

16 Q. And taxes, other than income, have been
17 allocated to the supply administration charge,
18 correct?

19 A. Correct.

20 Q. You can see that on Schedule 1?

21 A. That's correct.

22 Q. On Page 19, Line 267 allocation of

1 \$137,840.00, right?

2 **A.** Right.

3 **Q.** But none of the taxes, other than income,
4 associated with customer care costs have been
5 included in either of the allocation studies
6 presented by ComEd, right?

7 **A.** That's correct.

8 **Q.** And employee benefits and pensions,
9 likewise, are allocated through the supply
10 administration charge, but not included in either
11 one of the studies conducted by ComEd, right?

12 **A.** Correct.

13 **Q.** Can you turn to your surrebuttal testimony,
14 ComEd Exhibit 74 revised, at Page 8, Lines 170 to
15 172. Let me know when you're there.

16 **A.** Okay.

17 **Q.** There, you criticize Mr. Merola for not
18 offering evidence regarding the impact of REACT's
19 proposed cost allocation on residential competition
20 or any explanation of how it may encourage
21 development of the residential market, right?

22 **A.** "Criticize" is a nasty word, but, yeah, I

1 note that.

2 Q. You're not suggesting that the cost should
3 not be allocated accurately just because Mr. Merola
4 didn't present that piece of evidence, are you?

5 A. I'm sorry. I'm not following your
6 question. Can you say that again.

7 Q. I will withdraw the question.

8 Would you agree with ComEd Witness
9 Dr. Hemphill that economics teaches us that without
10 doubt that when rates are not based on costs,
11 customers receive signals that tell them to behave
12 in inefficient and costly ways, and as a result
13 society's harmed through misallocation of
14 resources?

15 A. That's a generally held economic principle,
16 yes.

17 Q. Do you agree with it?

18 A. Yes, generally.

19 Q. Would you agree with Dr. Hemphill that in a
20 restructured market such as the Illinois Electric
21 Retail Market that it's even more important to
22 accurately reflect cost causation?

1 **A.** Yes.

2 **Q.** You would also agree with Dr. Hemphill that

3 customers do respond to delivery rates and delivery

4 rate design, correct?

5 **A.** Customers respond to rates --

6 **Q.** Do the price signals contained in

7 rates --

8 **A.** Price signals, yes.

9 **Q.** And you'd agree with Dr. Hemphill that rate

10 designs that miss allocate costs are sending

11 customers inaccurate price signals, right?

12 **A.** Yes.

13 **Q.** And those inaccurate price signals then

14 result in inefficiency and harm to society,

15 correct?

16 **A.** Yes.

17 **Q.** And, actually, regardless of what

18 Dr. Hemphill or Mr. Merola say, the Commission does

19 have an obligation to encourage competition, right?

20 **A.** I believe I've seen that in a statute or

21 two, something to that effect.

22 **Q.** Section 16-101A of the Public Utilities Act

1 directs the Illinois Commerce Commission to promote
2 the development of impeccably competitive
3 electricity market that operates efficiently and is
4 equitable to all consumers, right?

5 **A.** I don't have it in front of me, but I will
6 take your word on that.

7 **Q.** By the way, in the 2007 ComEd rate case and
8 in the Special Investigation Proceeding, Mr. Merola
9 did provide testimony explaining why accurate
10 allocation is procompetitive, didn't he?

11 **A.** I don't recall.

12 MR. TOWNSEND: May I approach, your Honor?

13 JUDGE SAINSOT: Yes.

14 MR. TOWNSEND: I will hand you what is being
15 marked as REACT Cross-Exhibit 30 an excerpt from
16 the corrected rebuttal testimony of Jeffrey Merola
17 on behalf REACT.

18 JUDGE SAINSOT: You're going to tie this up,
19 right, Mr. Townsend?

20 MR. TOWNSEND: Yes.

21

22

1 (Whereupon, REACT Deposition
2 Exhibit No. 30 was marked for
3 identification.)

4 BY MR. TOWNSEND:

5 Q. At Lines 98 to 100, Mr. Merola testified
6 that such cross-subsidization would hamper and
7 potentially even prevent competition from
8 developing for residential and small commercial
9 customers, correct?

10 MR. ROONEY: I object to the extent that there
11 is not a foundation that this witness has seen this
12 testimony before. He wasn't a witness in the -- I
13 don't believe Mr. Garcia was a witness in the '07
14 rate case.

15 JUDGE SAINSOT: Where are you going with this?

16 MR. TOWNSEND: Well, he's criticized Mr. Merola
17 for, apparently, not including some testimony in
18 this case with regards to this issue. And, in
19 fact,

20 Mr. Merola has included testimony in this case on
21 this issue and this is that testimony.

22 MR. ROONEY: This testimony is from a different

1 case.

2 MR. TOWNSEND: Which was then incorporated by
3 Mr. Merola into his testimony in this case.

4 JUDGE SAINSOT: Why do we care about all this?

5 MR. TOWNSEND: Because Mr. Garcia suggests that
6 this evidence was not presented in this case and,
7 in fact, it was.

8 JUDGE SAINSOT: I have to raise my previous
9 question, why do we care?

10 MR. TOWNSEND: Because Mr. Merola provides
11 fairly clear explanations as to why, if you have
12 the inaccurate allocation of costs, residential
13 competition would be harmed, and how residential
14 competition could even be prevented from developing
15 if you don't have accurate allocation of customer
16 care costs.

17 JUDGE SAINSOT: Here's my thing, so what if
18 Mr. -- I don't see the testimony that you're citing
19 as putting a chink in that for lack of a better
20 word.

21 So I'm going to sustain your objection
22 because I think this is not relevant.

1 BY MR. TOWNSEND:

2 Q. Would you agree, Mr. Garcia, that by
3 referencing his testimony in other proceedings,
4 Mr. Merola did, in fact, include in his testimony
5 in this proceeding evidence with regards to the
6 impact on residential customer choice?

7 MR. ROONEY: Objection. I'm not sure where
8 Mr. Merola referenced that testimony, and
9 referencing it doesn't necessarily mean
10 incorporating it.

11 JUDGE SAINSOT: Are we back on Mr. Merola? What
12 is was your question?

13 MR. TOWNSEND: I'm just asking him if he would
14 agree that now his testimony that he provided in
15 the written testimony is inaccurate based on the
16 fact that Mr. Merola did incorporate this testimony
17 by reference.

18 JUDGE SAINSOT: I thought we had that all
19 organized. Okay. I'm just going to say this one
20 more time. Move on to another line of questioning.

21 MR. TOWNSEND: No further questions, your Honor.

22 JUDGE SAINSOT: You want to take a few minutes?

1 MR. ROONEY: Just a couple minutes, your Honors.

2 JUDGE SAINSBOT: For the record, it's 10 of 6:00.

3 We are all getting a little grumpy.

4 MR. ROONEY: Your Honors, we have no redirect
5 for Mr. Garcia.

6 JUDGE DOLAN: Then, Mr. Garcia, you're excused.

7 THE WITNESS: Thank you.

8 JUDGE DOLAN: With that, we are adjourned till
9 tomorrow morning at 9:00 a.m.

10 (Whereupon, these proceedings
11 were adjourned and continued
12 to January 20, 2011 at the
13 hour of 9:00 a.m.)

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